

By Mr. MONTAGUE: A bill (H. R. 11519) granting a pension to Annie R. C. Owen; to the Committee on Pensions.

By Mr. MOREHEAD: A bill (H. R. 11520) granting an increase of pension to Alice A. Minick; to the Committee on Invalid Pensions.

By Mr. RAMSEYER: A bill (H. R. 11521) granting a pension to John Nidy; to the Committee on Invalid Pensions.

By Mr. REED of New York: A bill (H. R. 11522) to ratify and confirm an extension of lease given by the Seneca Nation of Indians for the right to excavate sand on the Cattaraugus Reservation in the State of New York; to the Committee on Indian Affairs.

By Mr. SEARS of Nebraska: A bill (H. R. 11523) authorizing the redemption by the United States Treasury of 20 war-savings stamps (series 1918) now held by Dr. John Mack, of Omaha, Nebr.; to the Committee on Claims.

Also, a bill (H. R. 11524) refunding to Pontus Hilmer Bergstrom the sum of \$100, with interest from December, 1919, being money expended for an operation from disabilities incurred while in the naval service; to the Committee on War Claims.

By Mr. SMITH: A bill (H. R. 11525) granting a pension to Sadie Humphrey; to the Committee on Invalid Pensions.

By Mr. SNELL: A bill (H. R. 11526) granting an increase of pension to Mary Campbell; to the Committee on Invalid Pensions.

By Mr. STALKER: A bill (H. R. 11527) granting a pension to Nettie Shaw; to the Committee on Invalid Pensions.

By Mr. SWEET: A bill (H. R. 11528) granting an increase of pension to Kate Mount; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11529) for the relief of John L. Eveleigh; to the Committee on Claims.

By Mr. TAYLOR of Colorado: A bill (H. R. 11530) granting a pension to Dorthula E. Smith; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 11531) granting a pension to Jacob L. Walker; to the Committee on Invalid Pensions.

By Mr. TILLMAN: A bill (H. R. 11532) granting a pension to Linnie Bentley; to the Committee on Pensions.

Also, a bill (H. R. 11533) granting a pension to Mary Ash; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11534) granting a pension to Martha M. Ellison; to the Committee on Invalid Pensions.

By Mr. WILLIAMS of Illinois: A bill (H. R. 11535) granting a pension to Margaret S. Gossett; to the Committee on Invalid Pensions.

By Mr. WILSON of Indiana: A bill (H. R. 11536) granting an increase of pension to Anna M. McKain; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11537) granting an increase of pension to Catherine Mayer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11538) granting a pension to Robert D. McCoy; to the Committee on Invalid Pensions.

By Mr. WOOD: A bill (H. R. 11539) granting an increase of pension to Eliza Hatten; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3400. By Mr. CONNERY: Petition of the board of directors of the Boston Real Estate Exchange, urging the defeat of Senate bill 3764 and House bill 11078, which propose the creation of a rent commission for the District of Columbia; to the Committee on the District of Columbia.

3401. Also, petition of the Massachusetts Trust Co. Association, approving the resolution adopted by delegates of the National Association of Supervisors of State Banks urging the elimination of certain parts of section 9 of the Federal reserve act; to the Committee on Banking and Currency.

3402. Also, petition of the Massachusetts Bar Association, urging the passage of Senate bill 3363, increasing the salaries of the Federal judiciary; to the Committee on the Judiciary.

3403. By Mr. FULLER: Petitions of the Rockford (Ill.) Real Estate Board and the Chicago Real Estate Board, protesting against the passage of the bills (S. 3764 and H. R. 11078) establishing a permanent rent commission; to the Committee on the District of Columbia.

3404. Also, petitions of the Rotary Club and the Chamber of Commerce, both of Peru, Ill., opposing legislation to give the Sanitary District of Chicago the right to continue indefinitely the pollution of the Illinois River with sewage to the detriment of the cities and people in the Illinois Valley; to the Committee on Rivers and Harbors.

3405. By Mr. GALLIVAN: Petition of executive committee of the Massachusetts Trust Co. Association, unanimously approving the resolution adopted by the delegates of the National Association of Supervisors of State Banks at their twenty-third annual convention, held at Buffalo, N. Y., on July 21, 22, and 23, 1924, with regard to the relationship of State banking system with the Federal reserve system; to the Committee on Banking and Currency.

3406. By Mr. GUYER: Petition of Princeton Post, No. 111, Department of Kansas, G. A. R., protesting the passage of Senate bill 684, authorizing the coinage of 50-cent pieces in commemoration of the commencement on June 18, 1923, of the work of carving on Stone Mountain a monument to the soldiers of the Confederacy; to the Committee on Banking and Currency.

3407. By Mr. KETCHAM: Petition of citizens of Benton Harbor, Mich., protesting against Senate bill 3218, providing for compulsory Sunday observance; to the Committee on the District of Columbia.

3408. By Mr. O'CONNELL of New York: Petition of the Jamaica Community Branch, Young Men's Christian Association of Brooklyn and Queens, New York, urging the Foreign Relations Committee of the Senate to report the resolution providing for the participation of the United States in the World Court on the Harding-Hughes terms so that it may be voted upon by the whole Senate; to the Committee on Foreign Affairs.

3409. By Mr. PEAVEY: Petition of J. O. Marsh and other citizens of Superior, Wis., opposing the passage of the compulsory Sunday observance bill (S. 3218) for the District of Columbia or the enactment of any other religious legislation; to the Committee on the District of Columbia.

3410. By Mr. SEGER: Petition of Charles E. Dietz, Thomas Barbour, and 70 other residents of Paterson and vicinity, against passage of Senate bill 3218, compulsory Sunday observance bill for the District of Columbia; to the Committee on the District of Columbia.

3411. By Mr. TILLMAN: Petition of residents of the State of Arkansas, opposed to the compulsory Sunday observance bill (S. 3218); to the Committee on the District of Columbia.

3412. By Mr. WILLIAMS of Michigan: Petition of Alex Franz and 36 other residents of Charlotte, Mich., protesting against the passage of Senate bill 3218, the so-called Sunday observance bill; to the Committee on the District of Columbia.

SENATE

Monday, January 12, 1925

(Legislature day of Monday, January 5, 1925)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Farrell, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 62) to create two judicial districts within the State of Indiana, the establishment of judicial divisions therein, and for other purposes.

The message also announced that the House disagreed to the amendments of the Senate to the bill (H. R. 10404) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1926, and for other purposes; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MADDEN, Mr. MAGEE of New York, Mr. WASON, Mr. BUCHANAN, and Mr. LEE were appointed managers on the part of the House at the conference.

ANNUAL REPORT OF THE PUBLIC PRINTER

The PRESIDENT pro tempore laid before the Senate a communication from the Public Printer, transmitting, pursuant to law, the annual report of the operations of the Government Printing Office for the fiscal year ended June 30, 1924, which was referred to the Committee on Printing.

MEMORIAL

Mr. WARREN presented a memorial of sundry citizens of Medicine Bow, Wyo., remonstrating against the enactment of any Sunday observance or other religious legislation applicable to the District of Columbia, which was referred to the Committee on the District of Columbia.

JUDICIAL DISTRICTS OF INDIANA—CONFERENCE REPORT

Mr. SHORTRIDGE submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 62) to create two judicial districts in the State of Indiana, the establishment of judicial divisions therein, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendments insert the following:

"That the State of Indiana shall constitute one judicial district to be known as the district of Indiana. For the purpose of holding terms of court the district shall be divided into seven divisions constituted as follows: The Indianapolis division, which shall include the territory embraced within the counties of Bartholomew, Boone, Brown, Clinton, Decatur, Delaware, Fayette, Fountain, Franklin, Hamilton, Hancock, Hendricks, Henry, Howard, Johnson, Madison, Marion, Monroe, Montgomery, Morgan, Randolph, Rush, Shelby, Tipton, Union, and Wayne; the Fort Wayne division, which shall include the territory embraced within the counties of Adams, Allen, Blackford, De Kalb, Huntington, Jay, Lagrange, Noble, Steuben, Wells, and Whitley; the South Bend division, which shall include the territory embraced within the counties of Cass, Elkhart, Fulton, Kosciusko, La Porte, Marshall, Miami, Pulaski, St. Joseph, Starke, and Wabash; the Hammond division, which shall include the territory embraced within the counties of Benton, Carroll, Jasper, Lake, Newton, Porter, Tippecanoe, Warren, and White; the Terre Haute division, which shall include the territory embraced within the counties of Clay, Greene, Knox, Owen, Parke, Putnam, Sullivan, Vermillion, and Vigo; the Evansville division, which shall include the territory embraced within the counties of Daviess, Dubois, Gibson, Martin, Perry, Pike, Posey, Spencer, Vanderburg, and Warrick; the New Albany division, which shall include the territory embraced within the counties of Clark, Crawford, Dearborn, Floyd, Harrison, Jackson, Jefferson, Jennings, Lawrence, Ohio, Orange, Ripley, Scott, Switzerland, and Washington.

"SEC. 2. That except as hereinafter in this section provided terms of the district court for the Indianapolis division shall be held at Indianapolis on the first Mondays of May and November of each year; for the Fort Wayne division, at Fort Wayne on the first Mondays of June and December of each year; for the South Bend division, at South Bend on the second Mondays of June and December of each year; for the Hammond division, at Hammond on the first Mondays of January and July of each year; for the Terre Haute division, at Terre Haute on the first Mondays of April and October of each year; for the Evansville division, at Evansville on the second Mondays of April and October of each year; for the New Albany division, at New Albany on the third Mondays of April and October of each year. When the time fixed as above for the sitting of the court shall fall on a Sunday or a legal holiday, the term shall begin upon the next following day not a Sunday or a legal holiday. Terms of the district court shall not be limited to any particular number of days, nor shall it be necessary for any term to adjourn by reason of the intervention of a term of court elsewhere; but the term about to commence in another division may be postponed or adjourned over until the business of the court in session is concluded.

"SEC. 3. That the President of the United States be, and is hereby, authorized and directed by, and with the advice and consent of the Senate to appoint an additional district judge for the district of Indiana, who shall reside in said district, and whose term of office, compensation, duties, and powers shall be the same as now provided by law for the judge of said district.

"SEC. 4. That the clerk of the court for the district shall maintain an office in charge of himself or a deputy at Indianapolis, Fort Wayne, South Bend, Hammond, Terre Haute, Evansville, and New Albany. Such offices shall be kept open at all times for the transaction of the business of the court. Each deputy clerk shall keep in his office full records of all actions and proceedings of the district court held at the place in which the office is located.

"SEC. 5. A judge of the District Court for the District of Indiana may, in his discretion, cause jurors to be summoned for a petit jury in criminal cases, from the division in which the cause is to be tried or from an adjoining division, and cause

jurors for a grand jury to be summoned from such parts of the district as he shall from time to time direct. A grand jury summoned to attend a term of such court may investigate, and find an indictment or make a presentment for, any crime or offense committed in the district, whether or not the crime or offense was committed in the division in which the jury is in session.

"SEC. 6. That either party in a civil or criminal proceeding in said district may apply to the court in term or to a judge thereof in vacation for a change of venue from the division where a suit or proceeding has been instituted to an adjoining division and the court in its discretion, or the judge in his discretion, may grant such a change."

Amend the title so as to read: "An act to authorize the appointment of an additional district judge in and for the district of Indiana and to establish judicial divisions therein, and for other purposes."

And the Senate agree to the same.

SAMUEL M. SHORTRIDGE,
R. P. ERNST,
LEE S. OVERMAN,

Managers on the part of the Senate.

GEO. S. GRAHAM,
ANDREW J. HICKEY,
HATTON W. SUMNERS,

Managers on the part of the House.

Mr. WATSON. I ask that the Senate now agree to the conference report.

The report was agreed to.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HALE:

A bill (S. 3915) granting an increase of pension to Ellen L. Goodwin (with accompanying papers); to the Committee on Pensions.

By Mr. HARRELD:

A bill (S. 3916) granting an increase of pension to Mary L. Palmer; to the Committee on Pensions.

By Mr. FRAZIER:

A bill (S. 3917) granting an increase of pension to Mary M. Croft; to the Committee on Pensions.

By Mr. COPELAND:

A bill (S. 3918) authorizing the use of cancellation dies by philanthropic and charitable associations; to the Committee on Post Offices and Post Roads.

PROPOSED BUREAU OF COAL ECONOMICS

Mr. ODDIE submitted an amendment intended to be proposed by him to the bill (S. 179) to establish a department of mines, and for other purposes, which was referred to the Committee on Mines and Mining and ordered to be printed.

AMENDMENT TO URGENT DEFICIENCY APPROPRIATION BILL

Mr. McNARY submitted an amendment proposing to appropriate \$8,000 for Indian school, Chemawa, Salem, Oreg., intended to be proposed by him to House bill 11308, the urgent deficiency appropriation bill, which was ordered to lie on the table and to be printed.

LANDS FOR NAVAL PURPOSES

Mr. FLETCHER submitted an amendment intended to be proposed by him to the bill (H. R. 8732) to authorize the disposition of lands no longer needed and the acquisition of other lands required for naval purposes, which was referred to the Committee on Naval Affairs and ordered to be printed.

AGRICULTURAL DEPARTMENT APPROPRIATIONS

The PRESIDING OFFICER (Mr. CAPPER in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 10404) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1926, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. McNARY. I move that the Senate insist upon its amendments, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McNARY, Mr. JONES of Washington, Mr. CAPPER, Mr. SMITH, and Mr. OVERMAN conferees on the part of the Senate.

MUSCLE SHOALS

The Senate resumed the consideration of the bill (H. R. 518) to authorize and direct the Secretary of War, for national

defense in time of war and for the production of fertilizers and other useful products in time of peace, to sell to Henry Ford, or a corporation to be incorporated by him, nitrate plant No. 1, at Sheffield, Ala.; nitrate plant No. 2, at Muscle Shoals, Ala.; Waco Quarry, near Russellville, Ala.; steam-power plant to be located and constructed at or near Lock and Dam No. 17, on the Black Warrior River, Ala., with right of way and transmission line to nitrate plant No. 2, Muscle Shoals, Ala.; and to lease to Henry Ford, or a corporation to be incorporated by him, Dam No. 2 and Dam No. 3 (as designated in H. Doc. 1262, 64th Cong., 1st sess.), including power stations when constructed as provided herein, and for other purposes.

Mr. McKELLAR. Mr. President, a day or two ago my very greatly esteemed friend the senior Senator from Arkansas [Mr. ROBINSON] made the statement that the real issue underlying the controversy over Muscle Shoals is the issue between those who favor public ownership and operation and those who do not, and those who were opposed to Government operation voted for the Underwood bill and those who favored Government operation voted against it. I am constrained to believe that my distinguished friend, who is such a splendid lawyer, such an able statesman, such a fair debater, has certainly made a mistake in declaring that is the issue in the controversy. There is no real element of public ownership involved in the bill, or in either one of the bills. May I say, however, that if it is in one bill it is just as much in the other bill. Both bills provide for public operation. The Underwood bill provides for public ownership just as certainly as does the Norris bill. It is not a question of public ownership, therefore. The principle of government ownership and operation can not apply to one unless it applies to the other, because the principle of the two bills is the same in so far as public ownership and operation is concerned.

In the next place, I do not understand by the term "public ownership and operation" that it really has anything to do with the question we are now considering. As I understand public ownership and operation, it is where a government, whether national, State, or municipal, takes over or builds a plant for the purpose of going into competition with a private plant and conducts a business, for instance, like the ownership and operation of the railroads or of the telegraph and telephone companies or any other public utility. There is no such purpose in either one of the bills. There is no such purpose in connection with this plant, as I understand it. This plant was built for war purposes. It was built by the President of the United States by the use of a general appropriation that was put in his hands for war purposes, and a part of the money was allotted for the building of this great plant. It was primarily and essentially a war plant, and, therefore, if the Government of the United States operates that war plant and incidentally disposes of the surplus power, whether for fertilizer purposes or for current and light purposes, the question of Government operation is not involved. It is a mere incident to the real purpose, which is that of a war plant. So I say there is no question of public ownership and operation involved. The Government already owns the plant. It is to operate it as a war plant. The operation for private purposes is merely an incident to its use as a war plant.

I might say in passing that it seems to me it comes with poor grace from those who voted for the Underwood bill, containing exactly the same principle and policy of Government operation, to talk about those of us who voted against it being in favor of public operation. The 18 Democrats who voted for the Underwood bill, each and every one, voted for public operation of the plant, if it is to be public operation. Those of us who voted against it voted against the principle of Government operation. But that is a mere incident.

Mr. President, Muscle Shoals is a war plant. It was authorized to be built by President Wilson out of a fund that was given him by the Congress. It was not authorized in the usual, ordinary way, and but for the war probably never would have been authorized. Now, after it was authorized for such a purpose and is about to be completed, the Underwood bill, in the alternative, would take it out of the hands of the Government, put it in the hands of private lessees, to be operated—mark you, it is not to be operated for the benefit of the Government, because if the Government ever wants to use it for war purposes under the Underwood bill it has to condemn and take it over—but what it means is that for a small rental the Government turns it over to a lessee to be operated not for any Government purpose but for the private purposes of such lessee. The Government needs this great power plant it has built entirely out of Government money, for war purposes first, for purposes of navigation second, and incidentally only is it to be used for peace purposes. We say the Government ought to

keep it and that the use of the power for the purpose of manufacturing fertilizers and the use of the power for sale to private consumers is incidental to its first and great use in war purposes. There is no possible question of Government ownership and operation of a private utility.

Mr. President, I have never believed, and do not now believe, in what is commonly known as Government ownership and operation of public utilities, but I do recognize the fact that there are exceptional cases in which it is wisest for the Government to conduct its own business. Such cases as have met my approval and such cases as have met the approval of the Congress—the Panama Canal act, the farm loan act, the parcel post act—all of those acts provided for Government operation of public utilities. All of those acts in a way invaded private business, and yet those acts received almost unanimous approval of Congress. Any of these acts go further along the line of Government operation than does this act, unless it be the Panama act.

There is no use in attempting to becloud the issue. It is a plain matter of business as to what is best to do with this property. It is best for the Government, best for the people, best for the safety of this Republic.

I come now to the bill of the Senator from Alabama, and I want to dissect it for a few minutes, because I believe that if Senators put their minds upon the actual provisions of the bill none of them can give their consent to vote for it. I start with the first section, which dedicates this great plant, these great properties at Muscle Shoals, to what purpose? They—

are hereby dedicated and set apart for the use for national defense in time of war and for the production of fertilizer and other useful products in time of peace.

Why that dedication? The Government has already built it for the purpose of war. How can it be rededicated to that purpose and what would be the sense of rededicating it to the purpose of war? The bill does the very opposite of dedicating the plant to war purposes. Instead of dedicating the plant to war purposes it takes it out of the hands of the Government for war purposes and dedicates it to private uses if a lessee obtains it. Here is a supposed statement of fact in the first section of the bill that is not a fact at all. It is far from the fact. It says that it dedicates this great plant to war purposes when as a matter of fact it is dedicated to private uses under conditions which I shall discuss in a few moments and which seem to me to be indefensible. I say, therefore, that section 1 is a misrepresentation of the actual facts. While pretending to be a dedication of the plant to war purposes, it is taking away from the people of the United States this great war asset which it has been determined all along should be used for war purposes.

Then comes section 2 which provides that whenever it is needed for war purposes it shall be taken over by the Government. Senators, we are spending \$140,000,000 on this plant for war purposes. Then we are turning it over to a private individual for private purposes, and it is said that we can take it over in time of war if we desire. So the Government can take over any property in time of war if the Government desires. The bill confers no new right upon the Government. Indeed, Senators, if the Underwood bill passes, we take this plant on which the Government has spent \$140,000,000 for war purposes and turn it over to a private corporation with the statement to the Government, "If you ever need it for war purposes you are at liberty to condemn it and pay the price that might be necessary to be paid for it." So it is conclusively shown, it seems to me, that instead of being dedicated for war purposes as provided in the bill it is dedicated to private purposes as declared in the second section of the bill and the only way the Government can get it for war purposes is to pay for it like it would pay for any other private citizen's property. In other words, Mr. President, if we get into another war, the Government will have to take over this property at its own expense just as if it had not built it. That alone should condemn this bill. Why, Mr. President, the idea of sane men, after having authorized the expenditure of perhaps \$140,000,000 for this plant to be used primarily in time of war, that we should now transfer it to a private corporation to be taken away from that private corporation at the Government's expense in time of war, is such a monstrous proposition that I do not see how any Senator can vote for it. Why should we go to this enormous expense, and then have to pay for it all over again, to some private lessee who gets the property for a song? Ah, but that is not all, Mr. President. It has been stated here time and again that this plant and Chile are our only sources of supply of nitrogen. That is true, and we have been told about the dangers of being de-

pendent upon Chile and there is danger there, too. But if this plant goes into the hands of a foreign corporation controlled by aliens, as I believe it will, how much more are we not justified in passing this bill?

It is said that the Government may if it so desires let the company proceed to manufacture nitrogen for war purposes to the extent of 40,000 tons a year. So it can. But the Government will pay for that nitrogen just like it pays for any other nitrogen. There is no fixing of the price which the Government is to pay. No advantage comes to the Government from buying it from this company rather than from some other company. There is not a suggestion that the Government should get this nitrogen any cheaper in time of war. Indeed, as we all know, the Government will have to pay the very highest price in the event of war for the nitrogen that is manufactured there; and not only that, but remember if the Government takes it over it will have to pay the actual value. That value will not be ascertained by the Senate as the Senate is undertaking to fix the rental value now, but the company will have its trained lawyers and, if it is necessary, will go into the courts to determine at just what value it shall be taken over. I say to Senators that if the bill passes with that provision in it and if the Government ever uses this plant for war purposes, it will pay a great deal more for one year's use of the plant than the entire plant has cost the Government up to this time.

Mr. HEFLIN. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Tennessee yield to the Senator from Alabama?

Mr. McKELLAR. Yes; I yield.

Mr. HEFLIN. How does the Senator reach any such conclusion as that which he has just stated to the Senate?

Mr. McKELLAR. I reach it from the plain wording of the bill. It is undertaken to make a private property out of the plant. The lessee has a private right in it, and when the Government takes it over, of course the Government will have to pay for it. It is not provided what the Government shall pay. It is not even said that the Government shall pay a reasonable price for it. The implication is that the Government will pay a war price for it, and I have no doubt a war price will be paid for it if it is taken over. If there was nothing else in the bill than that provision or those two sections, the bill ought not to be agreed to. No Senator, in my judgment, can afford to vote for a bill that will solemnly state in its first section that this great property is dedicated to Government uses in time war and in the second section blandly take it out of the Government use and put it into private hands, and then say that the Government can get it by paying the full price for it, or if it sees fit to elect to let the company go on and manufacture nitrates for war purposes, it must pay the full value of the nitrates so manufactured.

There is no protection to the Government in either one of these sections. It is nothing in the world, Senators, but an absolute taking of the public property and bestowing it upon a lessee without adequate compensation. That is what these two sections mean. It means a gift worth probably hundreds of millions to a favored lessee.

Then I come to sections 3 and 4, and I wish to take those two sections together. Senators will recall those sections. While 40,000 tons of fixed nitrogen are to be manufactured in time of war for war purposes and are to be manufactured in time of peace for fertilizer purposes, those very two statements are contradictory; indeed, the two sections are contradictory. Suppose the Government should want nitrogen in time of peace, does anyone mean to say it should not get it? We use enormous supplies of nitrogen in time of peace.

Mr. SIMMONS. Before the Senator from Tennessee leaves the suggestion with reference to the requirements of the Government in time of war—

Mr. McKELLAR. I yield to the Senator from North Carolina.

Mr. SIMMONS. I desire to ask, is the Senator in possession of any information or does the testimony which was taken in the hearings disclose any facts which support the idea that 40,000 tons of nitrogen would be anything like adequate to the requirements of the Government in time of war, and especially a war such as that through which we have just passed?

Mr. McKELLAR. Oh, no; it would not be. It would be quite an element in the supply, but it would not be an adequate supply. Indeed, I want to say to the Senator that while the Underwood amendment starts out with the very gracious statement that the plant at Muscle Shoals is dedicated to the use of the public in time of war, after those meaningless words are uttered no other attempt is made in the amendment to protect the rights of the Government in time of war—none whatever.

Mr. SIMMONS. I appreciate the argument just made by the Senator that the Government would have under its general powers the same right to possess itself of the Muscle Shoals property as it would have to appropriate any other water-power property for the purpose of manufacturing nitrogen for war purposes.

Mr. McKELLAR. Absolutely; just the same as if the provision were not written in the measure at all.

Mr. SIMMONS. The only difference that I can see in that respect between this property and any other like property is to the extent of the 40,000 tons of nitrogen to be manufactured there would be a stand-by plant capable of producing that amount of nitrogen.

Mr. McKELLAR. That is true.

Mr. SIMMONS. But to the extent that the Government's requirements might exceed that 40,000 tons there would be absolutely no difference. No provision is made to meet further of requirements in excess of that quantity in order to meet national emergencies.

Mr. McKELLAR. No such provision at all is made. We should have to depend upon the nitrate fields of Chile then just as we now do. Of course, 40,000 tons of nitrogen would not be sufficient in time of war. We used very much more than that in the last war. My recollection is, that we used about that much in a very few days in the last war, during a portion of the time at any rate.

Mr. President, so far as sections 3 and 4 are concerned, they are contradictory provisions. Section 3 provides that at the end of the fifth year 40,000 tons of fixed nitrogen shall be produced annually for war purposes. Section 4 provides that the same amount is to be produced for peace purposes. Who is to decide when the nitrogen is to be used for war purposes and when it is to be used for peace purposes? We use an enormous amount of nitrogen in the manufacture of explosives in peace time. Who is to say what shall be used for peace purposes and what shall be used for war purposes, and who is to say at what price the nitrogen is to be sold to the Government?

Why, Mr. President, if a war takes place, and this plant is used by the lessee for the purpose of furnishing nitrogen to the Government, it will have the right, under this bill to charge the Government what it will for nitrogen. If the lessee holds the plant and manufactures the nitrogen, it can sell it to the Government at such a price as may almost bankrupt the Government. If the Government takes it over, under section 2 of the act, then it will have the right to mulct the Government under the laws of eminent domain for virtually what it will. Oh, Mr. President, these acts take the plant out of the hands of the Government and puts it in the hands of private interests, and in so far as war purposes are concerned, this plant will be almost, if not absolutely, valueless in war purposes. The money that has been spent on it will have been wasted by the Government for war purposes.

And then it provides and much stress is laid upon these sections 3 and 4 about the mandatory provision for the manufacture of nitrates. Why, Mr. President, if this company does not want to manufacture nitrates, how easy it will be for them not to do it. It can be argued that the two provisions, one offsets the other. It can be argued that it is impossible to manufacture but 40,000 tons of nitrogen at this plant, that it was intended only to manufacture that at this plant. Somebody may sue out an injunction, as it was shown by the Senator from New York Saturday, against the use of the process they have for making nitrogen at this plant, and therefore the contract may be avoided and eluded. But you will say that they will live up to it. How do we know? If we take the Alabama Power Co.'s past experience, we know they are not going to live up to it. They had a bill passed in the Congress of the United States in 1912 when the same theory that this bill has was put forward, namely, that they were going to manufacture fertilizer on the Coosa River, at Dam No. 18. It was said then that these people had gone to the General Electric Co. in New York to get money to build this plant and could not do it and then had gone to British and Canadian people, and the British and Canadian people had given them the money to build the Coosa Dam, and that they had entered a partnership with the Cyanamide Co. of America to manufacture fertilizer, and that they were not going to use it for power purposes, but for fertilizers for the farmers of the country and the South; but they have never manufactured an ounce of fertilizer. They have the dams, they have the plant yet; but they have never manufactured an ounce of fertilizer and will not do so. And if they get this plant they are not going to manufacture fertilizer for the farmers of the country and the South. It is idle to talk about it.

Mr. SIMMONS. Mr. President, will the Senator pardon me another interruption?

Mr. McKELLAR. I yield to the Senator from North Carolina.

Mr. SIMMONS. I suppose the Senator's argument leads to this, that if we are to part with this property, relying upon our right to take it over in time of war, we certainly ought to see that there is a stand-by plant capable of producing the reasonable requirements of the Government.

Mr. McKELLAR. Certainly, Mr. President, the Senator from North Carolina is exactly right. I should have reached that part of my argument a little later on, but I will refer to it now.

The Senator from Alabama [Mr. UNDERWOOD] admitted that this was a very inadequate consideration for the plant, but the reason for the inadequacy of the consideration was lessee's agreement to manufacture fertilizer. Surely there ought to have been a provision inserted to protect the Government. Surely, if we turn over this great plant to any lessee we ought to provide that in the event of war the Government shall have the right to take it over without any further cost to the Government in order to manufacture nitrogen, not only 40,000 tons of nitrogen, but to manufacture as much as may be necessary or as much as it might be able to manufacture at the plant, and the Government should be able to do that without compensation.

Mr. President, as I have just shown, unless some such provision shall be contained in this legislation one year's use or, it may be, for six months' use of the plant in time of war will probably cost the Government more than the entire cost of the plant. The entire rental for 50 years will only be about \$80,000,000, and, under the terms of this amendment, it may cost twice as much as the entire rental, or it might cost as much as the entire rental and the entire cost of the plant, if the Government should recapture the property and retain it for a year.

The rental on the plant, while it is in the Government's possession, will cost our Government more than the plant itself. How in the name of heaven any Senator can vote for a bill which provides that, after it has spent this vast sum that has been spent in the building of this plant and turn it over to a private lessee at \$1,832,000 a year, and then if it is necessary to be taken back in war time to pay for it just like the Government would have to pay for any other property—how any Senator can vote for a bill of this sort in the light of these facts is incomprehensible to me.

Why, Mr. President, under any circumstances, there should be in this bill a provision that the Government does not have to pay to the lessee any sum whatsoever when it is taken over and used in the event of war. We know what the war profiteers did to the Government a few short years ago, and we know in our own hearts just what this corporation will do in the event of another war. It will hold the Government up for every dollar that is possible for it to be held up for; so that, Mr. President, I say that with this section in this bill no Senator should vote for it. And you will note, Mr. President, how carefully no law is changed by this section. It provides: "The foregoing clauses shall not be construed as modified, amended, or repealed by any of the subsequent sections or paragraphs of this act, or by indirection of any other act."

So, Mr. President, representing the Government as we do—and the Members of the Senate are here looking after the interests of the Government as well as of the people; we are the trustees of the Government—surely we ought to see that the Government is protected before we vote for any such unconscionable legislation as this, which will take this property which is already dedicated to the public use in time of war and turn it over to a private corporation with the statement that if the Government needs it it can condemn it and pay for it just as it may condemn the property of any citizen. It may be that we shall have to take it away from an alien-controlled corporation, for the Alabama Power Co., if it shall get the property, as I believe it will get it, has been up to a very short time ago and probably now is an alien-controlled corporation.

Mr. SIMMONS. Mr. President—

Mr. McKELLAR. I yield to the Senator from North Carolina.

Mr. SIMMONS. Mr. President, I wish to inquire of the Senator from Tennessee, who has from the beginning been very much interested in and very diligent in investigating all phases of this very important matter which we now have under consideration, whether he knows of any other plant in

the United States to-day which is manufacturing or is prepared to manufacture nitrogen from the atmosphere?

Mr. McKELLAR. I do not. Certainly, there is none that manufactures it to any considerable extent.

Mr. SIMMONS. And we have no natural deposits of nitrogen such as are found in Chile?

Mr. McKELLAR. And no other factory where it may be produced.

Mr. SIMMONS. We have no factory in this country equipped to produce it from the atmosphere, and the result will be in case of war, if the ports of Chile should be blockaded by an enemy, this Government will be absolutely powerless to secure this essential element of conducting a war and of defending the Government against invasion.

Mr. McKELLAR. Absolutely. I will say to the Senator that the parallel proposition that finds most force with me in reference to this matter is the building of the Panama Canal. The Government built that canal primarily for war purposes and spent \$400,000,000 on it, but it is essentially a defensive measure for the Government.

After we had finished that canal, suppose a bill had been introduced here providing that, inasmuch as we did not wish to interfere with private shipping and the business of shipping, we would lease that great plant, the Panama Canal, to be run by a private corporation, which would collect the tolls on the ships passing through it; and suppose it had been contended that the public defense was a matter of no importance in its relation to the canal, for the Government could take it over at any time. That could have been argued just as it is being argued in this case; and, furthermore, it might have been said that nobody is likely to attack us, and if they should our ships would be able to run around the Horn and get to the Pacific Ocean, or vice versa; and so we ought not to enter upon the Government operation of shipping facilities at Panama. Such an argument could have been made with force equal to that of the argument which is made in this instance. Senators, the great plant at Muscle Shoals was organized for war purposes. We have got to have it for war purposes; it is absolutely essential, for if our line of communication were cut off with Chile we would be defenseless unless we had some such plant, and this country does not want to be put in that defenseless condition. Yet while putting in the first section of the Underwood substitute a solemn declaration that the plant is dedicated to war purposes, it is proposed to turn it over to a private corporation under the terms of the amendment and probably turn it over to an alien corporation. That is indefensible.

Mr. SIMMONS. Mr. President, will the Senator pardon me a further interruption?

Mr. McKELLAR. I yield.

Mr. SIMMONS. The thought in my mind is that the Government should certainly retain this property until it has developed nitrogen-producing plants sufficient, in the judgment of the Secretary of War, we will say, to supply the reasonable requirements of the Government in case of war and then, if it should be deemed wise to lease it, that it would only lease it upon condition that the lessee would stipulate to extend the plant which the Government has already created there to the point where it would have a capacity equal to the requirements of the Government for purposes of war.

Mr. McKELLAR. Of course, the Senator is correct about that. The idea of building this great plant by this enormous expenditure of the people's money and then turning it over to a private corporation for exploitation purposes without any regulation, is, to my mind, such a preposterous and such an indefensible proposition that I can not understand how a Member of this body can vote for it. I am not criticizing my colleagues who are in favor of it, but I can not understand the reasoning under which they are willing to cast their votes to dispose of the Government's property, so useful and so necessary in time of war, for any such purpose.

Now, Mr. President, I come to the next proposition.

Mr. SIMMONS. Mr. President—

Mr. McKELLAR. I yield to the Senator.

Mr. SIMMONS. I am asking these questions because I regard this phase of the matter as the most essential that has been discussed at all.

Mr. McKELLAR. It is the most vital phase of the bill, in my judgment.

Mr. SIMMONS. It has been in my thought all the time. If during the war we had not been able to communicate with Chile and to secure from her our requirements while we were constructing this plant which we authorized what would have been our situation?

Mr. McKELLAR. It would have been intolerable and indefensible and might have caused us to lose the war. Do we want to put ourselves in that attitude again after spending this vast treasure, \$140,000,000, down there to build this great plant and to build the great dam there? Are we going to put ourselves in exactly the position in which we were prior to the war? Yet substantially we will be in that position if this bill shall pass. I do not see how any man who loves his country and wants to defend her when she is attacked can be willing to put her in such a defenseless position as this bill will put her in if it shall be passed.

Mr. SIMMONS. Mr. President—

Mr. McKELLAR. I yield to the Senator.

Mr. SIMMONS. I wish to ask the Senator this question: If Germany had not many years ago, long before the war, begun to experiment with the production of nitrogen from the air, and if when the war came she had not developed her nitrogen production to the point where it was developed, would not Germany have been in a very precarious condition by reason of the action of the Allies in cutting her off from Chile? And was it not because Germany had provided against this very contingency about which we are now talking that saved her from collapse in the war long before the termination of the struggle?

Mr. McKELLAR. I apprehend that to be the fact; and I will say to the Senator that so far as this bill, known as the Underwood bill, is concerned, not an experiment is required to be made. We do not know where we are going. They are not going to take steps to ascertain about the manufacture of nitrogen by a cheaper or a better method. We know nothing about that. We turn it all over. We will just say, for the sake of the argument, that we have turned it all over to the Alabama Power Co., if it should be the lessee, and it will determine whether or not, in the interest of all the people, these experiments will be conducted and better and cheaper methods of producing nitrates are to be found.

That is why that provision in the Norris bill is so important. It provides for the selection of great chemists to build up an organization to ascertain what will protect this country by the manufacture of nitrogen in time of war. This vital necessity to the manufacture of explosives, the production of the materials out of which explosives can be manufactured, is of the prime importance for this country in any war, and we should not take out of the Government's hands this great instrumentality by which it may be done.

Mr. SIMMONS. Mr. President—

Mr. McKELLAR. I yield to the Senator from North Carolina.

Mr. SIMMONS. The Senator from Alabama, in his argument, seemed at least to concede the fact that in all probability whoever might lease this plant would not find themselves able to produce nitrogen profitably; and because of an apprehension that there would be a loss in the production of nitrogen he stated, as I understood him, that he had made the return to the Government upon its expenditure of \$45,000,000 or \$150,000,000, as the case may be, very small, probably inadequate, in order to recoup themselves in case they sustained a loss in operating the nitrogen plant.

Mr. McKELLAR. Yes.

Mr. SIMMONS. The bill of the Senator from Alabama requires the lessee to produce only 40,000 tons annually. Does the Senator from Tennessee believe that a lessee would be likely to produce one pound more of that product than the amount required in the bill if it should find itself unable to produce it at a profit?

Mr. McKELLAR. Mr. President, judging the future by the past, if this great Power Trust in Alabama gets charge of this plant I do not believe that it will produce any nitrogen at all; and I want to give you my authority for that conclusion.

In 1912, when I first came to Congress, to the House of Representatives, there was a bill before the Congress known as the Coosa Dam bill. It had for its purpose giving permission to the Alabama Power Co.—this same company—to erect Dam No. 18 on the Coosa River; and the Senator from Alabama [Mr. UNDERWOOD], then a Congressman, had this to say. I quote the words from page 11586 of the RECORD of 1912:

Now, what they propose to do is to spend \$1,600,000 to help make this river navigable and allow the Government to use all the water it needs for navigable purposes, and then take the balance of the power created, not for the purpose of selling electricity for light or heat but for the purpose of manufacturing cyanamide, or lime nitrogen, and fertilizer for the benefit of the farmers of Alabama and of the South.

This company operates that plant to-day. I have been reliably informed that never has it produced an ounce of nitrogen for the farmers of Alabama and of the South. So, if we judge the future by the past, with the conflicting sections about the manufacture of nitrogen contained in this bill, and the possibility that the same cyanamide company that is referred to here will sue out an injunction against the use of its machinery, I do not believe that the lessee will produce a pound of nitrogen.

Mr. HEFLIN. Mr. President—

Mr. McKELLAR. I yield to the Senator from Alabama.

Mr. HEFLIN. For the second time I desire to correct my friend, the Senator from Tennessee. The Alabama Power Co. never has made any effort or contracted to make fertilizer at Lock 12 on the Coosa River.

Mr. McKELLAR. Lock 18.

Mr. HEFLIN. It never intended to do so. It never was involved at all in the legislation of which the Senator speaks. It was my bill that passed through the House at that time. It was the American Cyanamid Co. that was going to make fertilizer at this dam if President Taft had not vetoed my bill. When President Taft vetoed my bill the American Cyanamid Co., which was going to set up business at Montgomery, Ala., went over into Canada. It is now making cyanamide in Canada, and selling it at a profit to the farmers of the United States; so, by the President's veto, this industry was driven out of Alabama, out of the South, out of the United States, and over into Canada.

If my friend from Tennessee finds any consolation in a thing of that kind, he is welcome to have it. I simply wanted to correct him. My colleague [Mr. UNDERWOOD] was speaking of the American Cyanamid Co., and not of the Alabama Power Co. I want to repeat that the Alabama Power Co. was never involved in any way in that transaction.

Mr. McKELLAR. Mr. President, fortunately we have a RECORD, and the RECORD is better than the memory of any of us. My distinguished and very greatly beloved friend is simply mistaken, and he is mistaken for the second time, and I think the RECORD shows it.

This Coosa Dam bill was a bill to permit the Alabama Power Co.—not the Cyanamid Co.—to dam the Coosa River in the Senator's State. That was the bill which the junior Senator from Alabama favored and which the senior Senator from Alabama favored. They were both in the House at the time. That was the bill that was passed, and here is a letter that shows quite the contrary of what the Senator says. It shows that the Alabama Power Co. had entered into some sort of agreement with the Cyanamid Co. Of course the agreement was merely for legislative purposes. The Alabama Power Co. wanted the power, and it was thought that the Senator from Alabama was a great friend of the farmer, and the way to get him to favor the bill was to raise a big hue and cry about the manufacture of nitrogen for the farmers of Alabama, and the bill could be passed in that way, and was passed in that way. I now read a letter which gives the inside history of it.

I read from page 11591 of the RECORD of August 22, 1912: That was when the bill was before the House, the very day it was before the House; and here was an officer of the Alabama Power Co. writing to the distinguished Senator from Alabama [Mr. HEFLIN], who was then a Representative:

WASHINGTON, D. C., August 22, 1912.

HON. J. THOMAS HEFLIN,

House of Representatives, Washington, D. C.

DEAR MR. HEFLIN: Referring to the questions you asked me in person regarding the Alabama Power Co., its purposes and intentions, on the Coosa River, in Alabama, I beg to say:

The Alabama Power Co. was organized under the laws of the State of Alabama by a few Alabama friends and myself as a part of our well-known efforts, covering a period of almost a quarter of a century, for the improvement of the Coosa River. After a long and tiresome undertaking we not only succeeded in interesting some splendid capital in the development of power on the Coosa River at Lock 12 but we also succeeded in interesting the American Cyanamid Co.—

The Alabama Power Co., now, interested the American Cyanamid Co.—

in locating a large plant on the Coosa River, in Alabama—

Where, oh where, is that plant? They said: "We have induced them to locate it." It never has been located—

for the manufacture of an air-nitrate fertilizer, known as calcium cyanamide, the particulars of all of which are set out very fully in a letter by Mr. J. W. Worthington, of date July 3, 1912, attached to

the report of the Senate Committee on Commerce on Senate bill 7343, and to which I beg to call your especial attention.

The Alabama Power Co. owns the power development at Lock 12, on the Coosa River, Ala., and is now at work building its dam for the development of power at this place, and for which we obtained the consent of Congress several years ago.

By the way, they have a perpetual right to it—not 50 years—but a perpetual right to it.

Mr. HEFLIN. Just as Mr. Mellon has on the Little Tennessee River in the Senator's State.

Mr. McKELLAR. Probably.

The power plant at Lock 12 will develop when complete 10,000 continuous 24-hour horsepower.

Here is where the Senator is wrong. Listen to what it does. He said the Alabama Power Co. was not connected with it, but that it was the Cyanamid Co. Listen to this letter:

The Alabama Power Co. made a contract with the American Cyanamid Co. for 14,000 24-hour horsepower, to be used for the manufacture of the nitrate fertilizers; therefore the development of power at Lock 12 will be insufficient to supply the needs and demands of the Cyanamid Co., to say nothing of the power that may be desired for other purposes, hence it is that the Alabama Power Co. is now asking a grant for the privilege of building a dam at Lock 18 on said river.

The Alabama Power Co. is asking for it, not the American Cyanamid Co. The American Cyanamid Co. never built a plant there. This letter was not true. It did not state the facts. The Cyanamid Co. never did build a plant there, and has not done so to this day, and there never has been an ounce of fertilizer produced at that plant. This is very interesting. It is an interesting piece of history of our lessee.

In our efforts to finance the Alabama Power Co. we tried for quite a while to raise the money with which to make the development at Lock 12 in this country, but were unable to do so. We then took the matter up with foreign capitalists, and finally succeeded in interesting English and Canadian capital in the undertaking. Before going into this undertaking, however, these people examined the laws of this country bearing on the subject, both State and United States laws, and the money was raised with expectation of being governed by the general dam laws of the United States as they now stand; hence any amendments to the bill from the way it passed the Senate would probably be fatal, and I trust that Congress pass Senate bill 7343 just as the same is now pending.

This, with other matters which need not be referred to; the letter is signed by W. P. Ray.

I will stop long enough in the reading of that letter to say that the trouble was caused by my esteemed friend, Ben G. Humphreys, of Mississippi, who offered an amendment, and a very proper amendment, for the United States to have control of the rates; and it was voted down on the ground that it would lose to Alabama and the farmers of Alabama and the South this great fertilizer plant.

How similar to the arguments that have been made in behalf of the fertilizer part of the Underwood bill in this controversy. I continue reading:

Kindly bear in mind this is not a promoting or speculating scheme; we have the money, and are now at work at Lock 12, and if the bill passes granting the Alabama Power Co. the right—

Not the American Cyanamid Co., as the Senator has suggested, but the Alabama Power Co.—

the right to build a dam at Lock 18 work will be commenced at this development within 60 days. Work will also be commenced in due time on the Cyanamid Co.'s plant, as the money is all ready now for its construction.

That was an effort to get a bill passed through Congress by a misstatement of facts, telling the Congress that they had the money to build the cyanamide plant for the benefit of the farmers. At that time I had just come to the House, a youngster, wholly unfamiliar with the methods employed in enacting legislation—a Democrat, trying to follow my leaders. The Democratic leader in the House was urging this bill, and I voted with him. I voted wrong about it; I frankly admit that.

I made a mistake—a mistake I am not going to make again. A man may make a mistake on a subject once, and that is enough. It is not excusable for him to make a mistake twice on the same matter.

Mr. NORRIS. Mr. President, may I ask the Senator who the Democratic leader in the House was at that time?

Mr. McKELLAR. The Senator from Alabama [Mr. Underwood] was the Democratic leader of the House at that time. So can I be blamed for having my doubts as to whether they

are going to make any fertilizer at all under the conflicting provisions of sections 3 and 4 of this bill? Who knows but what the same cyanamide company which helped the Alabama Power Co. through that perilous time and got that power for them would not be willing to file an injunction suit and keep their friend and former associate, whom they had helped out before, from having to carry out the fertilizer contract? Can you afford to risk that, Senators, in the light of this history?

My good friend over there, for whom I have not only the greatest respect and admiration but for whom I have the greatest personal esteem and the warmest regard, was misled, just as I was. He made one of the finest of speeches in favor of it. I wish I had time to quote from it. He told some splendid stories on Ben Humphreys and Swager Sherley and the distinguished Democrat from Illinois [Mr. RAINY]. He had the House just roaring, and he told the House then, just as he has been telling the Senate now, the unparalleled advantages that were coming to the farmers of Alabama and the rest of the South just as soon as this cyanamide company got to manufacturing nitrates there for the farmers. That has been more than 12 years ago, and so far not an ounce of cyanamide has ever been manufactured there. I am not a prophet, but I venture the prediction that if the Underwood bill passes the Senate and becomes a law 12 years from now some man standing on this floor will repeat what was said 12 years ago and what is being said here now and will assert that not an ounce of nitrates has ever been manufactured by the Alabama Power Co., if it gets this property.

Mr. RANDELL and Mr. SIMMONS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Tennessee yield; and if so, to whom?

Mr. McKELLAR. I will yield first to the Senator from Louisiana and then to the Senator from North Carolina.

Mr. RANDELL. I would like to ask the Senator whether in his opinion, even if the lessee under the proposed Underwood bill should manufacture every year the 40,000 tons of atmospheric nitrogen which he claims will be manufactured, the benefits derived therefrom would be comparable with those which in all probability would result from the wonderful researches provided by the Norris bill, those researches which we have every reason to believe will result in cheaper and better methods of manufacturing fertilizer from the air than we are now aware of. Which would benefit the people of the United States most, in the opinion of the Senator?

Mr. McKELLAR. Mr. President, there can be no possible difference of opinion about the value of the experimentation provided for in the Norris bill; and the Senator from Nebraska has accepted an amendment offered by me but prepared by a number of Senators on this side. I think most of us who feel as I feel about it, as the Senator from Louisiana [Mr. RANDELL] and the Senator from North Carolina [Mr. SIMMONS] feel about it, got together in preparing that amendment. The Government will manufacture just as much nitrogen as this lessee would be required to manufacture.

Mr. SIMMONS. And more.

Mr. McKELLAR. Yes; even more. There can not be any doubt about that. Not only that, but this corporation would be permitted to manufacture it at 8 per cent profit on the turnover, which may mean 200 per cent profit on the money invested in this plant, whereas under the Norris bill, if fertilizer shall be manufactured, it will have to be sold to the farmers at not exceeding 1 per cent above the cost of production. So if we look at it from a farmer's standpoint, there is no comparison between the two bills as they are now. It would be infinitely better to accept that provision for such wonderful research and experimentation as is provided for with such accuracy and such clearness in the Norris bill, and then the practical demonstration of what can be done as provided in the amendment that was offered by me.

Mr. RANDELL. Is there any research provided for in the Underwood bill?

Mr. McKELLAR. None whatever.

Mr. RANDELL. There is no encouragement given to research, is there?

Mr. McKELLAR. None whatever. How could any man who is a friend of the farmer for a moment accept the Underwood proposal over the Norris proposal as amended? I am frank enough to say that I can not understand how any friend of the farmer could accept the Underwood proposal over the Norris proposal as amended.

Mr. SIMMONS and Mr. HEFLIN addressed the Chair.

Mr. McKELLAR. I now yield to the Senator from North Carolina.

Mr. SIMMONS. Mr. President, a few moments ago the Senator from Alabama, when he interrupted the Senator from

Tennessee, said something about his bill being vetoed by President Taft.

Mr. McKELLAR. That was true.

Mr. SIMMONS. Was that particular bill vetoed?

Mr. McKELLAR. I have not had time to examine into it, but my recollection is that President Taft vetoed it, but later on the Alabama Power Co. got the right to build a dam at Lock 18, and did build it and is still operating it.

Mr. HEFLIN. It got it under the water power act.

Mr. McKELLAR. Under the water power act, and got it fairly forever.

Mr. SIMMONS. Did the second act embrace any provision with reference to the manufacture of fertilizer?

Mr. McKELLAR. No.

Mr. SIMMONS. The Senator from Alabama said that by reason of that veto the American Cyanamid Co.—

Mr. McKELLAR. A foreign corporation.

Mr. SIMMONS. Instead of manufacturing this material in this country had been manufacturing it abroad. I assume that he meant that they were manufacturing it abroad instead of in this country because in this country the Government, through its agencies, regulates the price at which that product can be sold. But if it is manufactured just across the border, and we do not manufacture it in this country at all, we are in the same position with reference to that supply of nitrogen that we are in to-day with reference to the Chilean supply of nitrogen.

Mr. McKELLAR. Certainly. Now I yield to the Senator from Alabama.

Mr. HEFLIN. Mr. President, I was in error in stating that the Alabama Power Co. had had nothing to do with this proposition. But the Senator from Tennessee does not seem to understand very well the letter he has read.

Mr. McKELLAR. I will put it in the Record, so that other people can understand it accurately. Failure to understand is possibly due to some shortcoming or inability on my part.

Mr. HEFLIN. The American Cyanamid Co. was to manufacture cyanamide at this dam on the Coosa River, Lock 18, I believe. They had already gone to Montgomery and had made arrangements for renting offices in a building for headquarters. That was to be the headquarters of the American Cyanamid Co., and it was that company that was going to use this power to make fertilizer, and not the Alabama Power Co. The Alabama Power Co. did not bind itself to make any fertilizer or anything else, but the American Cyanamid Co. was the company that was going to do that. The Senator from Tennessee says they have not made any there, and he does not think they will make any in the future. When the bill under which they were to make it was vetoed by President Taft, and thus did not become a law, of course, they could not make it, because there was no provision for making it. When the bill was vetoed, instead of setting up business at Montgomery, Ala., and manufacturing cyanamide at Lock 18, they went out of the country into Canada, where they are now making fertilizer and selling it at a profit to the farmers of the United States. I simply make that further comment to show that they have already made cyanamide at Muscle Shoals at plant No. 2. It is not an experiment. I have seen the cyanamide made there.

Mr. McKELLAR. I yielded to the Senator to ask a question, not to make a speech. I hope the Senator will not undertake to make a speech on the general question.

Mr. HEFLIN. I shall not, because I intend to make one when the Senator gets through.

Mr. McKELLAR. Of course, that will be proper. The Senator is entirely mistaken about his facts again. This letter which I have read says that the Alabama Power Co. already has entered into a contract with the American Cyanamid Co. to furnish it the necessary power. It had agreed to furnish 14,000 horsepower, and it did not have 10,000 horsepower, and it was appealing to Congress to pass this second bill, giving it this second dam site for the purpose of enabling it to carry out its contract.

Mr. HEFLIN. Precisely, for the American Cyanamid Co.

Mr. McKELLAR. The American Cyanamid Co., so far as the bill to which I referred is concerned, is not mentioned in the bill, except incidentally. The bill is not a bill for the benefit of the American Cyanamid Co., but a bill for the benefit of the Alabama Power Co. I read from the Record—

Mr. SIMMONS. Before the Senator reads, if the Alabama Power Co. acquired the rights it was seeking, was there anything in the way of the Alabama Power Co. contracting with

the American Cyanamid Co. to manufacture cyanamide in this country?

Mr. McKELLAR. Not a thing. It was a subterfuge, then, absolutely. The Alabama Power Co. never had any idea of manufacturing fertilizers for the farmers. They had not the slightest idea then, and in my judgment have no more idea now of manufacturing fertilizer for the farmers than they had then. Congressman RAINEY had this to say about it:

This bill seeks to give to the Alabama Power Co. the right to construct these dams. The Alabama Power Co. is an Alabama corporation, but its stock is owned—all of it except just enough, perhaps, to give it a status in Alabama, two or three shares—by the Alabama Traction, Light & Power Co. (Ltd.). This is a Canadian company, organized on the 5th day of January of this year under the laws of the Dominion of Canada.

And that company will no doubt have one of its subsidiaries bid on this plant, of course. But the underlying ownership will be with the Alabama Power Co.

Mr. President, now I come to the question of the profits on fertilizer, to which I referred just a few moments ago. The bill provides that profits shall not exceed 8 per cent on the cost of production. Eight per cent on the cost of production is no limitation upon the profits of this company. It would be just as good if there were no limitation at all.

This company could make 200 per cent or even 300 per cent or even 500 per cent. It is possible for it to make that much on the amount of money invested and still not receive over 8 per cent above the cost of production. That provision in itself is no protection to the farmer, no protection to the public, and no one ought to be deluded by it. It is a meaningless statement meant for the purpose of catching votes—I do not mean anything improper in that—to give the bill a show of fairness. It is not of any real effect, whatever its purpose.

Now I come to the consideration involved. This plant cost the Government of the United States \$140,000,000. As I pointed out two or three weeks ago, there is down there now some \$40,000,000 worth of property. We own 2,800 acres of land. We own more than 300 houses. We own two towns there. We own railway tracks and railway cars. We own building material running into the millions of dollars' worth, all kinds of materials. I mention particularly the steam plant, and all of the machinery in connection with the steam plant, and the cyanamide plant. There is property probably worth \$40,000,000 which is just thrown in as lagniappe, with no consideration for it at all. The Government is to-day getting \$200,000 a year for the steam plant alone, but in this arrangement it is dropped in the hopper and turned over to the lessee. How can we defend that proposition? How can a Senator defend his vote in turning over this vast property to a lessee under those circumstances?

In 50 years none of the property except the land, and possibly Dam No. 2 will be of any value. There is no requirement as to replacement, none whatsoever. All of the property will be worn out, the houses will be gone, the great steam plant will be gone, the cyanamide plant will be gone, and there is no provision for their replacement. We are just giving to this company property that is worth something like \$40,000,000 without any requirement for replacing.

What else are we doing? We are requiring them to pay rent at 4 per cent on the cost of the dam. I remember when on the floor of the Senate the senior Senator from Utah [Mr. Smoot] made the statement that this property was not worth anything, that he was not willing to appropriate another dollar to complete it because when it was completed it would be a liability instead of an asset. He was not willing to spend on it any more of the Government's money. By the way, the bill failed that year and the work on the plant was stopped because of that sentiment. Then Henry Ford came along and offered quite a large sum for it and various other companies bid. Even the Alabama Power Co. put in a bid that was infinitely better than the proposal now made by the bill of the Senator from Alabama. They offered to make 50,000 tons of nitrates a year and offered to create a large sinking fund for replacement, to make all replacements, and to restore the property at the end of the term in the same condition as that in which they took it over. But all of that is left out of the bill. None of those requirements are retained in the bill. The plant is to be obtained for \$1,832,000 a year rental, an unconscionably and indefensibly small compensation for this great property.

What Senator knows the value of the property? I stop here long enough to ask any Senator on either side of the Chamber

if he thinks he is capable of fixing a rental price on the property? Why have we undertaken to fix it at all? Why do we put it in the bill? We do not know what its rental value is. Why do we undertake to do it without any examination? Expert engineers ought to be consulted before any such inadequate compensation is fixed. The moment that Dam No. 2 is yoked up the property will be worth \$100,000,000. That is a mere idea of mine. It may be worth \$200,000,000 or even \$300,000,000. The power alone may produce a return on a valuation of something like \$300,000,000. Who knows? Yet we are taking \$140,000,000 of the people's money and turning it over to a private lessee for a return of \$1,832,000 a year, which will not be enough to pay for repairs, which will not be enough to pay for replacement. If we spent for replacements every dollar of the compensation we get every year for the 50 years it would not take care of the replacements, so I am reliably informed. The Government would be out money if it kept the plant in the same condition that it is in now, and yet we solemnly propose to pass this bill giving the property to a lessee for nothing—of course, that is virtually what it is—and the bill does not take into consideration the enormous amount of property of the value of \$40,000,000 that is down there now.

Mr. President, I can not understand, in the light of the indisputable facts, how any Senator can vote to turn over the property of the Government to a private corporation or whatever sort of corporation it may be.

I next come to the question of the regulation of rates. I called attention some time ago to the fact that the distinguished Senator from Alabama [Mr. UNDERWOOD], when he was a Member of the House, in discussing the question of rates, said it would be entirely proper to have regulation of rates provided the Government built the dam, but as the power company proposed to build that dam there was no reason for regulating the rates. That view was taken and the amendment then pending was voted down. But, Mr. President, notwithstanding the adoption of the Walsh amendment there is no national regulation of rates provided for in the bill. The Walsh amendment does not do it.

Do Senators know what the Walsh amendment does in substance and effect? All that the Walsh amendment does in substance and effect is to provide that in the event that Alabama and Tennessee and the other States near by have no utility commission to regulate rates, then there is to be a Federal Government regulation. All of those States have public utility commissions and therefore there will be no governmental regulation. The Walsh amendment is absolutely valueless to all intents and purposes. If any Senator is voting for the bill on the ground that the Walsh amendment takes care of the regulation of rates he had better look at the amendment again before he votes for it. It does not regulate rates, but they are left to the State public utility commissions.

Some days ago when discussing this matter I had something to say about the Alabama Utilities Commission. Of course I did not intend to reflect on those gentlemen personally or any of them. I do not know any of them. I expect they are all very excellent gentlemen. I do not know them, but I assume they are all well-meaning men. I have no doubt that they are, and I am willing to assume that they are. However, I have in my hand a defense made of that commission by the Alabama Age-Herald in its issue of December 21, 1924, which I am going to take the liberty of reading. The editorial is entitled "McKellar partly right," and reads as follows:

M'KELLAR PARTLY RIGHT

Senator McKellar's charge that the Alabama Public Service Commission grants unduly high rates to the Alabama Power Co. undoubtedly contains a germ of truth, but very improperly and unjustly places the blame upon the Alabama Commission. The people of Alabama remember how narrowly they escaped paying rates at least 30 per cent higher than those now prevailing.

I stop here long enough to say that in Cleveland, Ohio, a steam plant furnishes 40 kilowatts of electricity for \$1.20. The Alabama rate is \$3.06, about 250 per cent more than the steam plant rate in one of the large cities in Ohio. The Alabama Power Co. at the time was seeking to make them 30 per cent higher.

Mr. HEFLIN. How do those rates compare to the rates in Tennessee?

Mr. McKellar. They are about the same. The same interests virtually control in both States, and the rates are about the same. They at least have a community of interest. I believe they are a trifle higher in Tennessee, as I remember the figures.

The people of Alabama remember how narrowly they escaped paying rates at least 30 per cent higher than those now prevailing. The people remember how the power company almost succeeded in obtaining from the former State commission a much higher valuation based not on the items specifically required by law to form the basis of such valuations for rate-making purposes, but based on a purely nominal figure having no proportionate relation to such items. The company sought in every way to evade an examination of its books, and the valuation now existing was arrived at by a compromise rather than by exact calculation.

This result was not due to lack of desire on the part of the present commission to determine equitably the proper valuation, but was due to the commission's lack of adequate auditing force properly to examine the company's business. The last legislature, under the influence of Governor Brandon, and perhaps also of the power company, refused to grant the commission that appropriation necessary to employ an auditing force of the requisite ability and numbers to inquire into the cost of utility operations in this State. There is only one organization in Alabama that knows how much it costs to produce power in this State, and that organization is the Alabama Power Co. Needless to say, the company will never tell of its own volition.

Meanwhile the affairs of the company flourish like the green bay tree, only more so. Everybody desires that the company shall prosper. It is to the public advantage that it shall prosper. But there is strong reason to believe that it is profiting unduly out of its present ability to escape that careful and capable examination that the public welfare requires. There is suspicion that the company enjoys unknown and considerable items in its appraisal that are a direct and an unjustified tax upon the consumers of hydroelectric current in Alabama, and that the very cost of its operations is under present circumstances a sealed book to the State commission.

By the way, I am informed that the public records in Montgomery, Ala., show that this company's properties are assessed for taxation at \$4,000,000 and that the utility commission is permitting them to earn a return on \$14,000,000. This is indefensible, if true.

I read further from the editorial:

The commission, at the last session of the legislature, applied for an adequate and competent auditing force, not comparable with the auditing force maintained by even one large utility in this State, but regarded as sufficient to protect the public interest. This force asked for was to match itself against the wits and talents of those in the employ of certain utilities and fighting to prevent that thorough inspection of records and arrival at a fair valuation contemplated by law. By this shortsighted policy of refusing the force asked for, the Governor and the Legislature of Alabama have doubtless cost the people of this State annually many, many times the sum saved by the refusal. It is pertinent to remember that the public service commission was given no hearing on this important item of auditing appropriation, but the application was summarily denied by the legislature.

Senator McKellar is probably right in his statement as to power rates in Alabama being much higher than they should be. But he unjustly places the blame upon the State commission instead of upon Governor Brandon and the legislature which nullified the commission's plan to find out just how much it really costs to produce power in this State.

Mr. President, if the Alabama Public Utilities Commission prevented another raid upon the people, prevented an increase of rates by 30 per cent being put upon the people of Alabama as stated in this editorial, it is entitled to credit for that service, and I congratulate it upon that service, but, Mr. President, if it is allowing that company to pay taxes on \$4,000,000 worth of property only while the company is allowed to earn returns on \$14,000,000 worth of property, then that commission is not doing its duty, and I suggest to it not to indulge in criticisms of other people. Anyone of the members of the commission can go to the books in Montgomery and find for himself those figures and can act upon those figures. So, Mr. President, my idea is that if we are going to turn the fixing of these rates over to a State commission we shall be without any regulation of this great property.

Mr. President, with one or two more suggestions I shall have concluded. A great deal has been said about public and private operation. I have in my hands copies of two bills for electric lighting. One bill, under public ownership in Canada, is for 334 kilowatt-hours at a cost of \$3.55. I have in my hand a copy of another bill for exactly the same number of kilowatt-hours—334 kilowatt-hours—in the city of Washington, and that bill is for \$23.18. The difference between the two bills is the difference between \$3.55 and \$23.18. If that is the difference between public ownership and private ownership, I, for one, am in favor of the public operation of this plant.

The Washington bill is 650 per cent greater than the Canadian bill for exactly the same amount of current. Mr. President, I ask as a part of my remarks to insert copies of these two bills and I also ask that they may be printed in parallel columns in the RECORD.

The PRESIDING OFFICER (Mr. CAPPER in the chair). Without objection, the Senator's request will be granted.

The matter referred to is as follows:

Under public ownership the "Ontario system" of water-power development sells electricity to Canadian homes thus: One month, 334 kilowatt-hours, \$3.55.	Under private ownership the Washington (D. C.) Electric Corporation charges the American home consumer thus: One month, 334 kilowatt-hours, \$23.18.
J. CULLIN, 250 Victoria Avenue, Niagara Falls, Ontario.	Dr. C. S. KING, 102 Beverly Court, Washington, D. C.
To THE HYDRO-ELECTRIC SYSTEM, Dr.	To POTOMAC ELECTRIC POWER CO., Dr.
Main Office, 120 Welland Avenue, Niagara Falls, Ontario	From December 14, 1922, to January 15, 1923:
To electric-light service for July, 1922:	120 kilowatt-hours, at 10 cents per kilowatt-hour—
Present meter reading, 847—	\$12.00
Previous meter reading, 513.30—	214 kilowatt-hours, at 5.225 cents per kilowatt-hour—
Consumption in kilowatt-hours, 334.304—	11.18
Gross bill—	334 total kilowatt-hours—
Less discount of 10 per cent—	23.18
Net bill—	
No discount after August 15, 1922.	

Mr. McKELLAR. Mr. President, a few days ago I read an editorial which seems to me to sum up this situation as well as it could possibly be summed up. That editorial, which is of date January 7, 1925, and is entitled "A \$100,000,000 present," reads as follows:

One little piece of Wall Street news reads thus: "General Electric went to a new high for all time."

General Electric, you know, is the big corporation that expects to transform Muscle Shoals into a little Teapot Dome of its own, with some dignified senatorial help.

If General Electric got, and the people lost, that power property, about as they lost their oil property, General Electric would be worth more by at least one hundred millions.

Wall Street gamblers have observed that big corporations usually get what they want. Somehow, it seems to dignified Senators, the right thing to let them have what they want.

However, little people, if wise, will gamble cautiously, even in General Electric. Some Senators, like NORRIS of Nebraska and WALSH of Montana, lack appreciation of the corporation's right to take public property.

Mr. President, I am so thoroughly convinced that the Underwood substitute, if enacted into law, would not be best for the Government or for the American people that I shall be constrained to vote against it.

I have nothing against the Alabama Power Co. or against any other company; I want them to prosper; I should like to see every corporation in this country prosper; I should like to see every individual in America prosper; but, Senators, we have no right to make any particular corporation prosper at the expense of all the people. This is the Government's property that we are proposing to give away. This property has been paid for in taxes by the American people. We are the trustees of the American people. It is our duty to make the best out of this property for the American people.

The Norris substitute provides exactly the same benefits for the farmer which the Underwood amendment provides or claims to provide. The Norris amendment also provides that the property shall be kept intact always as a Government property for use in time of war. We need not think that we are not going to have other wars. Wars are likely to come at any time. It is the duty of America, after having prepared this great war asset and completed it, to keep it in its own hands and not to transfer it to some private corporation in order that that corporation may further exploit the people and the communities near where it is located.

So, Mr. President, I sincerely hope that the Underwood substitute may in the end be defeated. I think it would be better that the Norris substitute as amended be passed, but, under no circumstances, ought the Underwood substitute be adopted by the Senate.

I do not see how Senators on either side of the Chamber can find it to their interest or to the interest of their Government or to the interest of the American people or to the interest of any part of the American people, except those who are actually interested in getting the property, to vote in favor of the Underwood measure, and I hope, upon mature reflection, they will not do so.

Mr. HEFLIN. Mr. President, while my friend from Tennessee was addressing the Senate I could not refrain from thinking of the very strong speeches he has made against the Norris bill in the past and how ably and earnestly he has supported the bill containing the Ford offer. The provision in the Ford offer which appealed to me so strongly at the outset was that which required the manufacture of fertilizers for our farmers in time of peace and nitrates for the Government in time of war. My colleague [Mr. UNDERWOOD] has written into his substitute the same provision that was in the bill accepting the Ford offer and several amendments have been adopted which have made that provision of the Underwood substitute even stronger than when the Senator from Tennessee supported so ardently the bill accepting the Ford offer.

I confess that I do not understand the changes that have taken place here regarding this important matter. The Senator from Tennessee indulges in speculation along this line, and why should we not be permitted to do so? If I supported the bill embodying the Ford offer in the outset and advocated the provision in it requiring the manufacture of fertilizers for our farmers—and I still support that provision, which, as I have said, has been made stronger by amendments adopted at this session of the Congress—why should I be criticized by one who, along by my side, also supported the bill accepting the Ford offer for weeks and months and years, but now finds himself suddenly over in the camp of the Senator from Nebraska [Mr. NORRIS].

If my recollection serves me aright, the Senator from Tennessee has presented telegrams and petitions time and time again from the people of his State indorsing the Ford offer. The Senator has made some speeches on the subject. I am having them looked up now and I may be able to read some of his statements to the Senate—some that he made here on another occasion in support of the Ford offer.

Mr. McKELLAR. Mr. President, I will say that I have not received any petitions and memorials from any of my constituents, so far as I now recall—not a single one—asking me to support or vote for the Underwood substitute. One gentleman in the State said that he rather looked with favor on that measure, but he was not wedded to it and, if there were any possibility of the Alabama Power Co. getting control of the property under the Underwood measure, he would be as much opposed to it as am I.

Mr. HEFLIN. The Underwood substitute has been before the Senate for only a very short time. The bill accepting the Ford offer was pending here for three years. The petitions the Senator from Tennessee received regarding that bill came in about a year ago. It may take two years for the information to get there so that the Senator's constituents may become thoroughly informed as to the true situation here.

Mr. McKELLAR. Oh, no; they are very much quicker than that.

Mr. HEFLIN. I know they are very alert; they are splendid people, the very salt of the earth—

Mr. McKELLAR. I thank the Senator.

Mr. HEFLIN. And that is why I am fearing now that my friend is going to have trouble in explaining his swapping horses on this measure.

Mr. McKELLAR. Oh, no, Mr. President; they are behind me. I am getting telegrams and letters daily congratulating me.

Mr. HEFLIN. And swapping so quickly that he has amazed me by the rapidity of his action.

Mr. McKELLAR. I should like to jar the Senator a little.

Mr. HEFLIN. Mr. President, the farmers are not being considered very much here by some Senators, I fear, although we are right at the point now where we can do something for them, where we can really get action on a measure and pass it and have the President approve it and make disposition of Muscle Shoals in a way that will make sure that the farmers of the South will be benefited by it.

The Senator from Tennessee now supports the measure of the Senator from Nebraska. He did not do that at first. He got up close to it and then he shied off from it; he then went closer to it and it looked a little better to him, and finally, with GEORGE NORRIS, with outstretched arms and smiling, saying "Won't you come over with me," and the Senator from

Tennessee said, "I will," and he fell upon the bosom of the Senator from Nebraska and wept. [Laughter.]

Mr. McKELLAR. Mr. President, so that the Record may be absolutely correct—and I know the Senator would not desire and does not intend to have it otherwise—I want to suggest to the Senator that the Senator from Nebraska accepted an amendment to his amendment providing that exactly the same amount of fertilizer shall be manufactured for the benefit of the farmers as are required to be manufactured under the Underwood substitute. Such is my belief about the matter that, with that provision thus protecting the farmers as far as it was possible to do so, I felt that the farmers were safer in the hands of the Government of the United States, so far as the manufacture of fertilizers at the Muscle Shoals plant is concerned, than they were in the hands of the Alabama Power Co.

Mr. HEFLIN. The Senator had already announced his opposition to the Underwood bill before he reached that far down the road in his conversion to the Norris bill. The Senator was really lost between the two measures for a little while. He was not for the Underwood bill; he was not for the Norris bill; he was on the mourners' bench; he was contemplating very seriously which way he would go, and finally he went over, as I have said, to the Senator from Nebraska.

I never thought that the State of Tennessee, which Old Hickory Jackson served and honored so long and in whose soil his remains sleep to-day, would ever have a Senator who would be supporting a socialistic measure in this body. The Senator from Nebraska [Mr. Norris] undertakes to put the Government into business against the enterprising citizens of the country. The bill of my colleague seeks to keep the Government out of business and to lease the property to private citizens to operate it in the interest of the farmers of the country, not because we think that they particularly want to operate it in the farmers' interest, but because Congress says in the law that they shall do it.

Mr. BROOKHART. Mr. President—

Mr. HEFLIN. I yield to the Senator from Iowa.

Mr. BROOKHART. I should like to ask the Senator about this socialistic stuff in the bill he is supporting. Does it not have a governmental operation alternative in it? Is it not a socialistic bill, too?

Mr. HEFLIN. No. We first state that the President shall lease the plant, or have the opportunity to lease it, and he must try to lease it. After he does all in his power to lease it, rather than permit it to stand idle we say: "If the private enterprise of the country does not want it and will not operate it, then it must be operated," and as the last resort we provide that the Government shall operate it. The Senator and those with him, however, put the Government in charge of it at the outset. They do not give private enterprise an opportunity to operate it. They put the Government, with all its power, right into competition with the private citizen. That is the attitude of the Senator from Iowa and the attitude of my friend from Tennessee when they support the Norris bill.

Mr. McKELLAR. Mr. President—

Mr. HEFLIN. I yield just for a question, because my friend was so careful not to permit me to make a speech in his time that I, while replying to him, do not want to be interrupted by him for that purpose.

Mr. McKELLAR. I only want to ask a question.

Mr. HEFLIN. I yield.

Mr. McKELLAR. Is not the principle of Government ownership and operation in the alternative part of the Underwood bill as it is in the other bill? The only difference between the two bills, as I understand—and I ask the Senator if it is not true—is that one goes in first and the other one goes in last. They both have Government operation.

Mr. HEFLIN. No, Mr. President. I tried to make that plain before. Under the Underwood bill every one in the country who desires to do so may bid for the Muscle Shoals project and he has an opportunity to take over this plant and operate it. The President can permit him to do that. He is directed to do it under this bill; but under the Norris bill the Government takes hold of it in the outset and private citizens are told to get in the background and make way for the march of socialism in the United States, led by the Government itself.

That is the difference between the two. I know the difference between a Bolshevik and a Democrat [laughter], and I know the difference between a Socialist and a Democrat, and I am getting more and more informed about them and their vagaries as this debate progresses. My friend from Tennessee is just jumping up opposition ghosts here and yonder and chasing them down the line, and one of them hardly gets out of sight before he has jumped another one, and he now says that

we make no provision for the maintenance of this dam; that it might cost \$1,000,000.

Mr. McKELLAR. Oh, no; for replacement.

Mr. HEFLIN. There was nothing about replacement in the Ford bill, which the Senator supported for three years without batting his eye in opposition to its provisions. The Ford bill provided only \$55,000 a year to take care of both dams and operate the locks. I have seen this dam which is now nearing completion at Muscle Shoals. It is a great piece of work. It probably will not have to have anything done to it in a hundred years. The chief engineer said that the \$55,000 that was provided in the Ford bill was enough.

Mr. President, the Senator from Tennessee is an able Senator and he is my good friend, and I want to save him if I can before it is everlastingly too late; God knows I would love to see him come home. I want him to come back and get off the shifting sands on which he stands and build his house upon the rock. George Norris will get him into quicksand so deep that he will struggle in vain for a moment and before he fully knows what has happened everything will be settled in the sand bed, and the Senator will be under the sand and unable to see. [Laughter.]

Mr. McKELLAR. What is the name of the rock that the Senator wants me to come back to? Is it the Alabama Power Co. rock?

Mr. HEFLIN. It is the rock of Gibraltar and the cardinal principles of the Democratic Party.

Mr. McKELLAR. I do not yield to the Alabama Power Co. that position.

Mr. HEFLIN. The Senator from Tennessee conjures up another ghost. He tells us that the Alabama Power Co. is going to get this plant. I do not know whether it is or not. He does not know, either. That is another ghost created by the extraordinary imagination of the Senator from Tennessee; and if it suits his purpose to fight behind the Alabama Power Co., why, let him do so.

Mr. McKELLAR. I am fighting in front of it.

Mr. HEFLIN. Whether the Senator is fighting in front of it or behind it, it does not make any difference to me.

Mr. McKELLAR. No; I am not fighting behind it.

Mr. HEFLIN. It does not make any difference to me, just so it consoles and comforts the Senator and renders assistance to him in his effort to excuse himself for supporting the socialistic measure of the Senator from Nebraska.

My good friend has gotten himself all mixed up again on Lock 18 on the Coosa River. That was my bill which provided for building that dam, as I said before. I was in error about the Alabama Power Co. not being concerned in it.

He was right in the statement that the Alabama Power Co. wanted to build the dam, but as to the fertilizer end of it—I am right about that. The fertilizer was to be made there by the American Cyanamid Co. I stated a little while ago, and I desire to state again, that by reason of the veto placed on that bill by Mr. Taft the American Cyanamid Co., which had already made its arrangements to set up business at the capital of my State, withdrew, went out of the country, and is now doing business in Canada, and is making cyanamide, putting it in fertilizer, and selling that fertilizer at a profit in the United States.

The Senator from Tennessee said that he voted for that bill in the House, and that he voted wrong, and that he is not going to vote that way any more. Let us analyze that statement of the Senator. That bill in the House was for the purpose of setting up an industry in the United States, the like of which we did not have in our country. The Senator voted for that bill. He was, therefore at that time, in favor of bringing in industries, encouraging them, building them up; but he now says he is sorry he voted that way, sorry that he tried to bring this great cyanamide industry into the United States. We used to be told that he who makes two blades of grass grow where one grew before is a benefactor, a distinct blessing to mankind. Here we were trying to have another industry, and one the like of which we never had before, and the Senator from Tennessee says he is sorry that he rendered us assistance when we tried to bring in such an industry.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. HEFLIN. I will.

Mr. McKELLAR. The Senator talks about making two blades of grass grow where only one grew before. That is substantially the argument that the Senator made when he was in the House about this Coosa Dam. It was that the Alabama Power Co., through its partner or agent, the Cyanamid Co., was going to manufacture nitrates for fertilizers for the farmers of Alabama and of the South; but were any

such fertilizers ever manufactured there? Have they ever been manufactured there?

Mr. HEFLIN. Certainly not. I am going to say now, for the fourth time, that the bill was not passed and the dam was not built at that time.

Mr. McKELLAR. But it was afterwards built.

Mr. HEFLIN. Yes; years later and under altogether different provisions. On the occasion the Senator speaks of there was no dam built and no law under which the American Cyanamid Co. could operate and they had to go where they could get power. It was denied them in the United States by Mr. Taft's veto, and they were driven out of the United States into Canada. That is why they did not make fertilizer as they intended to do and that is why it has not been made.

I trust that that situation is plain to the Senator now. I spoke about making two blades of grass grow where only one grew before, and I am now seeing about me the situation changed and more than two socialists appear to grow where only one grew before. [Laughter.]

Mr. President, the Senator from Tennessee says that I advocated the Lock 18 measure 12 years ago and made the same kind of argument that I am now making here. This but proves that I am at least consistent. It shows that I have been for more than 12 years in favor of having cheaper fertilizer manufactured for the farmer. I was for it when that bill was up for consideration in the House. I was for it when the Ford offer was made more than three years ago. I was for it when the senior Senator from my State, my colleague [Mr. UNDERWOOD], put the Ford fertilizer provision in his bill, and I am still for compelling them to make fertilizer at Muscle Shoals. I am consistent, and that is more than my friend from Tennessee can say with regard to this matter. He was for it when he was in the House at that time. He now says that he is sorry he was for it. He was for the Ford bill when it was here, and he was against the Norris bill. The Ford bill has been withdrawn. The Norris bill is now pending. The Senator has changed from his support of the Ford idea and has gone over and is supporting the Norris idea. So the Senator has changed four times in these 12 years, and I am exactly where I then was when that bill was vetoed by the President. That bill was killed by the veto of President Taft. This bill may be killed by the conduct of the Senator from Tennessee and the Senator from Nebraska and some others. It may be that the same fate awaits this bill that awaited the bill killed by President Taft's veto. I am trying to prevent that, Mr. President.

I opposed the veto of President Taft and I oppose the tactics now employed to kill this bill, and I want to repeat what I said the other day: The Senator from Nebraska has vigorously attacked a Power Trust.

I would not be surprised if there were such a trust. That Power Trust has never openly said one word against the bill of the Senator from Nebraska, and I repeat that its agencies are smiling in the background whenever the Norris bill supporters attack this bill, because this bill specifically provides that fertilizer shall be made at Muscle Shoals. Then they are aided by another trust—the Fertilizer Trust—and that trust has become so indignant and restless and mad that it has now come out in the open and is issuing bulletins against the Underwood bill, which contains the fertilizer provision of the Ford offer.

Mr. President, how does the Senator from Tennessee console himself in the face of that situation? Here is the Fertilizer Trust condemning the Underwood bill because of the Ford fertilizer provision in it, and the Senator himself standing here saying that the fertilizer provision in it is no good. If that were true, would the Fertilizer Trust be attacking it? They would be the last ones to open their mouths in condemnation of it, because they would much rather have it passed with a weak, ineffective provision in it, so that they could say afterwards, "There is nothing in it; you can not enforce it; they will make no fertilizer under that provision," rather than complain now and give us the opportunity to amend it, strengthen it, and make it so that it could be enforced as to the manufacture of fertilizer. My good friend the able Senator from Tennessee finds himself again back in the shifting sands. I do not see how the Senator can reconcile his former position—his advocacy of the Ford measure—with his antagonism now of the fertilizer provision in the Underwood bill, and his antagonism to the Norris bill originally with his warm support of it now.

Not only that, but he comes along now and finds himself very much pleased with the bill of the Senator from Nebraska because, he says, they have amended it so that ferti-

lizer will be manufactured, as the Ford provision in the bill of my colleague provides.

Let us see where the Senator from Tennessee now finds himself in that regard. The Senator from Nebraska [Mr. NORRIS] day after day, week after week, and month after month has stood on this floor and said that fertilizer can not be made at Muscle Shoals. Day after day he has said that he doubts if fertilizer will ever be made there; and yet my friend from Tennessee, I am sorry to say, is following him. The farmers of his State are bound to take note of that. The Senator is supporting a bill the author of which himself declares that in his judgment they will never make an ounce of fertilizer under any bill at Muscle Shoals.

Mr. McKELLAR. Mr. President—

Mr. HEFLIN. And when the Senator wakes up, if this measure shall be killed and the bill of the Senator from Nebraska passed, somebody will take that record and say, "Did not the author of it tell you that he never expected to see any fertilizer made there? Did he not tell you that it could not be made there at a profit? And then, even with that information, you went on and supported his bill anyhow and had to climb over a bill which had in it a provision that would require the manufacture of fertilizer there, and you stamped on that provision with both feet in getting over to the measure the author of which said no fertilizer would ever be made there."

I now yield to the Senator for a question.

Mr. McKELLAR. As I understood the Senator a moment ago, he said I had changed my position four times while he had stood pat on his original position. Does the Senator mean to say now that he is a "standpatter"?

Mr. HEFLIN. Not at all; I never said "stand pat," either.

Mr. McKELLAR. I was out of the Chamber, and I got only the substance of what the Senator said.

Mr. HEFLIN. That is like a lot of information the Senator has obtained on this measure—incorrect.

Mr. McKELLAR. That was a serious question, for this reason: That the Senator understands, of course, that those associated with him in this fight for the Underwood bill are largely "standpatters."

Mr. HEFLIN. Those who are supporting this bill are trying to help the President out of a predicament. Legislation over Muscle Shoals has been hanging fire here for four years. The Senator from Tennessee has cried out against that delay, and I am sorry to say he is chief among those delaying it to-day. I am not sure but that he will vote for the bill of the Senator from Washington [Mr. JONES]. I see him constantly conferring with him. He is nearly as close to him right now as he is to the Senator from Nebraska, and God only knows what is going to come out of this strange combination. [Laughter.]

Oh, Mr. President, it seems to me that the Senator is now supporting anything and everything against the very provision which he supported in the Ford offer for three years. I do not know whether the weather has anything to do with a man's attitude on these things or not. I know that we have very changeable weather here. One day it is hot and the next day it is cold. It reminds me of the old fellow out in Texas who wrote back to a friend in Tennessee. He said:

Dear Bill: If you have not started for Texas, don't. This is the most hellacious climate in the world. On yesterday, while driving a yoke of steers across the prairie, one of them had a sunstroke, and while I was skinning him the other one froze to death.

[Laughter.]

That was a quick change in the weather, Mr. President, but not much quicker than the change of my friend from Tennessee.

I want to say again that I am sincerely in favor of having cheap fertilizer manufactured at Muscle Shoals for our farmers. God knows I have done all I could to help them get cheap fertilizer. Side by side I have fought with the Senator from Tennessee, and how I regret to see him leave me. How I yearn for his presence in battle. How I would love to have him again by my side, close enough to feel his elbow touch mine. Side by side we voted together for three years, and I never believed he would prove unfaithful to me. But when I saw him making goo-goo eyes at GEORGE NORRIS across the aisle I said, "Mac, you are flirting." [Laughter.] And not only flirting, Mr. President, but they have been holding hands, and I have lost him. He has gone, and it almost breaks my heart. [Laughter.]

Oh, Mr. President, there are some strange doings around here. The Senator talks about standpat Republicans voting for this bill. I will say again that the President evidently wants

to do something with Muscle Shoals. This thing has been under consideration a long time, and he himself heard it discussed for two and a half years when he presided over this body, and he heard Henry Ford's lamentations around the country against failure to act on the matter, and I say to the Senator from Tennessee that I think the President was for Henry Ford's offer. I am inclined to believe that if Ford had not withdrawn his offer the President would have openly supported it at this session. But Ford has withdrawn it. My colleague [Mr. UNDERWOOD] has put into his bill the Ford provision, so that the President is consistent, if he was for the Ford offer, and is still supporting the Ford provision in the Underwood bill. The difference between the Senator from Tennessee and the President himself is that the President has come to our position, and the Senator from Tennessee, it seems, has deserted us.

I believe it was Job who said: "Oh that mine adversary had written a book."

The Senator from Tennessee has made several speeches in this Chamber, and he usually makes a good, strong speech. If his premises were correct, he always made a good speech, but frequently his premises are wrong, as they are wrong in this instance, and of course he makes a speech that does not measure up to those he makes when his premises are good and sound.

I beg my friend not to join with those who do not want action on Muscle Shoals at this session of Congress. The people of Alabama are anxious to have this thing disposed of, as are the people of Tennessee and the other Southern States and the whole country. We of the South are mostly interested, of course. The Senator from Tennessee is now sitting by the splendid, genial Senator from the State of Washington [Mr. JONES], a State 3,000 miles from Muscle Shoals. Come back on this side of the Chamber, my friend. I am from Alabama. Both of us are from the South. Our farmers, of all the farmers in the country, need this fertilizer most. We need to buy it at half the price we are now paying. Come back on this side and consult with your brethren, those who represent the oppressed farmers of the South, and do not talk so much to the distinguished Senator from the far-away State of Washington, who would not know a cotton blossom from a jimson-weed leaf. [Laughter.] He does not know anything about our problems, and I appeal to my friend not to talk to him so much about this legislation. You Senators arouse my suspicions. I fear you have something up your sleeves; that some of you are trying to postpone action on this matter at this session of Congress. Some of you will support the Jones bill, some of you will support the Norris bill, and some of us will support the Underwood bill, and are we going to permit ourselves to wind up by doing nothing? If so, when the doors are finally closed on the 4th of March and we walk out of this Chamber the Power Trust will say to some Senators, "Hurrah for you boys. You accomplished your purpose and you never showed your hand."

The Senator from Nebraska [Mr. NORRIS] can not get away with the grand-stand play that he has inaugurated here. The power companies, when they appeared before the Agricultural Committee bidding for Muscle Shoals, sat there day after day and manifested every symptom of friendliness and sympathy toward the bill of the Senator from Nebraska. There is no doubt about that. No member of the committee can deny that. When we got to talking about what we would do with the Ford bill some of us would ask, "Do you not think this could be done under the Ford bill?" They would shake their heads. And they made it plain that as between the Ford bill and the Norris bill they preferred the Norris bill. Yet the Senator from Nebraska stands here and talks and walks around roaring like a lion about a Power Trust, when the Senator, consciously or unconsciously, is doing just exactly what the Power Trust wants done. They do not want this Underwood bill passed with the Ford fertilizer provision in it.

Mr. President, this bill has been amended so that it is fair to the States round about Muscle Shoals with regard to power distribution. An amendment has been agreed to, offered by the junior Senator from Georgia [Mr. GEORGE], which provides that the power, outside of that used in the manufacture of fertilizer or nitrates, shall be equally distributed among the States round about. That is as fair as could be. Not only that, but I want to remind my friend from Tennessee that there is an amendment in the bill, offered by my good friend the senior Senator from Georgia [Mr. HARRIS], which gives the farmer preference in buying fertilizer made at Muscle Shoals. He is to have a chance to buy the whole supply before anybody else can get a pound. Yet there is talk around here to the effect that the farmer is not being looked after properly in this bill. I know what our opportunities are in this bill. If

it is not what it should be, let us amend it and make it so. We should not try to find flaws in it for the purpose of aiding somebody else with something else. The opportunity is ours right now to pass this bill, and I believe that it is the only one that we have a chance to pass at this session of Congress which will make sure the manufacture of cheap fertilizer for our farmers.

The Senator from Tennessee, my good friend, finally comes around and says a kind word for the Alabama Power Co. He says it has really made a better bid for Muscle Shoals, a better proposition, than the Underwood bill provides for. That would not indicate that the Alabama Power Co. was interested very much in this proposition. We have not seen any signs of it during this debate, which has lasted for about six weeks. My colleague told the Senate that the president of the Alabama Power Co. told him he would not bid for Muscle Shoals under the provisions of his bill. Why does the Senator from Tennessee keep calling this measure a subterfuge and insinuating that we are supporting a subterfuge when there is no evidence here to support his contention? There is no evidence here that the Alabama Power Co. would bid, and as I have said the president of that company has told the author of this bill that he would not bid under the provisions of this bill. The President must say who is going to lease this Muscle Shoals property. He said in his message to us that he was in favor of making fertilizer at Muscle Shoals. Senators, the question here is, Are we going to throw away this opportunity of compelling the manufacture of cheap fertilizer for the farmers of the country, or are we going to divide our forces and support first one thing and then another, and because of our failure to agree or stand together reach the end of the session with nothing done with Muscle Shoals?

Mr. President, I am glad to say that several of those who have voted with him on other questions during the consideration of this bill are not going with him on the Jones amendment. I am hopeful that it will not receive from this side of the Chamber more than half a dozen votes in any event. I even hope that it will not receive any votes, because I think I know and, as Senator SMITH said, we all know what we want to do with this plant at Muscle Shoals no. I think that we farmers know what they want done with it. The farmers, represented by their bureaus in Washington, are for the Underwood bill, which carries the Ford provision for making fertilizer. The farmers over the South need the benefits that will come from the bill if we can just get behind it and enact it into law.

Let me make this appeal to my friend from Tennessee: Let us from the South, at least, quit scolding and criticizing and get right down to business, and if the Underwood bill is not yet what we want it to be let us offer amendments to it and make it represent our views. Let us unite our forces from the South at least, where the farmers are paying twice as much for fertilizer as they should pay. Here is an opportunity to manufacture 2,000,000 tons, one-fourth of the present yearly supply, which will control the price. Then the farmers of Tennessee, who now pay some \$14,000,000 annually for fertilizer, will get it for \$7,000,000. The Senator will be serving his own constituents as well as mine.

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Tennessee?

Mr. HEFLIN. I yield.

Mr. McKELLAR. The Senator invites me to offer amendments to perfect the bill. The best way to perfect the bill in the interest of the people is to provide for Federal regulation.

Mr. HEFLIN. On that particular amendment I did not agree with the Senator.

Mr. McKELLAR. I offered such an amendment and it was voted down by the Senator and those who with him are supporting the bill. It does not offer much inducement to Senators to try to perfect the bill when the Senator and those organized with him vote down all amendments that would be beneficial and in the interest of the people and in the interest of the farmer and the consumers of the power.

Mr. HEFLIN. I differ with the Senator on the question involved there of Federal control. I am not in favor of Federal control. I am a States-rights Democrat. I do not believe in Federal legislation that destroys the sovereign States of the Union. When it is undertaken here to reach into the State and deprive it of the right to regulate the institutions operating within its borders, it is saying in effect that they are not honest enough or intelligent enough to control these things themselves. That is why I am against the centralizing of power at Washington. I believe in permitting the States to regulate the rates

involved here if it can be done. The Senator offered an amendment to a proposition that is now coming into being and wants Federal control of it. Why should the Federal Government regulate these rates so far as Alabama is concerned? We have a splendid commission for that purpose. We provide in this bill that when the power goes across into Tennessee the commission of Tennessee can regulate whatever goes into that State, and why not? Tennessee is a great State.

Mr. McKELLAR. If the Senator will permit me, that would be impossible, because there is an Alabama statute that prohibits the Alabama Public Utility Commission from considering an application for the use of power in another State.

Mr. HEFLIN. That of course could be regulated by the Federal Government if it becomes an interstate proposition. But the Senator's amendment went right to the roots of the proposition and wanted the rates regulated even in my State by the Federal Government. I am not going to vote for these things that I call Federal interference with the rights of the States and local self-government. There is too much of that, Mr. President, and some day the people are going to wake up and ask a Senator, "If we commission you to go to Washington to represent us at the Capital, what are you going to do? Are you going to give more power to the Federal Government and take away from the States the powers that rightly belong to them, or are you going to maintain the rights of the States to protect them against Federal usurpation?" That is what is going to be asked some day by the people in the various States of the Union.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. HEFLIN. Certainly. I am always glad to yield to my friend from Idaho.

Mr. BORAH. I merely wish to say that if that question is not asked pretty soon there will be no occasion for asking it.

Mr. HEFLIN. The Senator is right. Some people here are absolutely running mad over bureaucracies and commissions, a destroying of the rights of the States, and it is being done by men commissioned here to protect those rights. What are we coming to? The Senator from Tennessee can search my record if he wants to, from the time I came into the House in 1904 until this good hour, and he will find that I have always tried to safeguard those rights; so he need not express any surprise when I vote against any amendment he offers which undertakes to take away from my State the right to say what shall be charged for power produced there when the matter is under the control of my State. I am not in favor of surrendering the right that the people of my State have of regulating State matters in my State.

The Senator talks about the General Electric stock going high in price in Wall Street. What has that to do with the Underwood bill containing the Ford offer regarding fertilizer?

Mr. McKELLAR. It went higher when the Underwood substitute was agreed to.

Mr. HEFLIN. I did not hear the Senator's last statement. The Senator might as well say that hay advanced in price in Chicago yesterday. It had nothing to do with this bill. There may be a General Electric Power Co. The Senator from Nebraska [Mr. NORRIS] has repeatedly said that he is in favor of a "giant power concern." I am opposed to it. I think we would be better off if we had 48 separate and distinct power concerns, one in every State in the Union, instead of concentrating all of that power into the one giant power concern which the Senator from Nebraska says he favors. He is the man that my friend the Senator from Tennessee is now following in this legislation. I am not following him. He is too socialistic for me. He has just about reached the point where he would not recognize a good old American principle of government if he were to meet it in the road.

I want my other friends, who were not in the Chamber a moment ago when I was talking about this feature of the bill, to know what I said about making fertilizer at Muscle Shoals under the bill of the Senator from Nebraska. The Senator from Nebraska has repeatedly said that he did not believe any fertilizer would ever be made there. He has repeatedly said that he did not expect to see it made there. I think that he said it ought not to be made there.

My friend from Tennessee evidently does not recall his statements in regard to that. I call on my friend from Tennessee to look into this matter.

The Senator from Tennessee refers to Wall Street. The Wall Street Journal had an article in it shortly after Ford withdrew his offer, which read something like this:

Chilean nitrate stocks advanced in price when it became known that Ford's offer had been withdrawn. The Chilean nitrate people feared Ford's offer. They believed that fertilizer would be made at Muscle Shoals and they dreaded this thing more than anything else.

That is the substance of the statement.

The stocks of the Chilean nitrate company went up when Ford withdrew his offer. They ought to go up again when the Ford provision in the Underwood bill is being attacked by my good friend from Tennessee and others under the leadership of the Senator from Nebraska. Why not? Everything that helps to begot the issue, every stone rolled in the way of the Ford provision in the Underwood bill, ought to cheer the Chilean nitrate people, of course, and it ought to compel their stocks to go up.

Mr. President, I did not rise to discuss this measure at length. I want to close with this thought: The farmers of the South, practically all of them, were committed to and were ardently in favor of the Ford offer. They were for it above all things, because it offered to them hope and opportunity to get away from the robbery and oppression of the Fertilizer Trust. They saw in it an opportunity at some day not far distant when they could actually save to themselves in the Southern States \$100,000,000 a year; and oh, what a blessing that would be to our farmers in the South, burdened yet with debts and unpaid taxes piled up during the deflation panic of 1920 and 1921. How it would help them, Senators, to get out of debt and be free men again. How that \$100,000,000 saved every year would help them to buy the comforts and necessities of life for themselves and their families in their homes upon the farms. Oh, Mr. President, \$100,000,000! I put it at a hundred millions; I believe it would be fifty millions more.

The senior Senator from my State has, ready for passage, a bill containing the Ford proposition, as I have said, amended by the Senate that requires the Alabama Power Co., or whatever company gets Muscle Shoals, to manufacture this fertilizer and not to make over 8 per cent above the cost of production, which means half the price at which it is selling to-day. Practically all the witnesses before our committee said it could be done, and I am hoping we will, by our action at this session of Congress, have the opportunity to do it. But if certain Senators bring about the defeat of the measure and if Congress adjourns with some bolshevistic measure passed in its stead, or if the Congress adjourns with nothing American having been done, these Senators can flatter themselves as having been the instruments, with their knives in their hands, which stabbed to death the only opportunity before the Senate to make cheaper fertilizer for the farmers of the South and the country. That is the positive attitude in which they are bound to find themselves. There is no escape from it.

Mr. President, since the Government first declared its purpose to make nitrates at Muscle Shoals for the Government in time of war and fertilizer for the farmer in time of peace, I have been steadfastly in favor of it. Somebody some time back in the States who desires to run for the Senate is going to read the Record and is going to get at the truth. It will be told to the people and when the farmers know that those who stood in solid phalanx for three years battling against the ramparts of the Fertilizer Trust, fighting for the Ford provision, for cheap fertilizer, they are going to want to know why they broke ranks at this session of Congress and followed off after the Senator from Nebraska with his bolshevistic, socialistic program, which means that there will be no fertilizer made for the farmer at Muscle Shoals if he has his way in this matter.

Mr. COPELAND. Mr. President, after the eloquent address to which we have just listened it requires some bravery to undertake to divert the thought of the Senate even for a moment from the subject of Muscle Shoals. However, I desire at this time to make a brief statement regarding America's interest in airship construction. [After a pause.]

The Senator from Tennessee [Mr. McKELLAR] desires to have me yield for five or ten minutes in order that he may make a reply to the Senator from Alabama [Mr. HEFLIN]. If I may yield without losing the floor, I shall be very happy to do so.

Mr. HEFLIN. If any question of fact shall be involved in the reply of the Senator from Tennessee, I shall desire an opportunity to reply to him.

Mr. McKELLAR. Mr. President, I think that there can be no question of fact involved, but I shall be very glad to have my good friend reply if he shall so desire.

The Senator from Alabama has had something to say about the company that I have been keeping. He charges me with voting with the senior Senator from Nebraska [Mr. NORRIS] and thinking or voting with the senior Senator from Washington [Mr. JONES]. I do not know but what I shall plead guilty to both charges, so that there may not be any question about the fact, but, while talking of line-ups, I want to call the

attention of the Senator from Alabama to the distinguished progressive company that he has been keeping lately on the Republican side of the Chamber. I wish to read the list of those who voted for the Underwood substitute. I shall not read all of the names but I shall merely read enough of them to show the company that the Senator from Alabama is keeping in this matter.

Mr. HEFLIN. The Senator, though, does not object if I have converted them to the right course for once in their lives, does he?

Mr. McKELLAR. I hope the Senator has, but I am not so sure that the Senator has converted the well-known progressives whose names I am about to read. I am rather inclined to think these well-known progressives have rather converted the Senator to their way of thinking. I desire to read the list of yeas on the Underwood substitute. They are:

BALL, a well-known progressive; BUTLER, a well-known progressive; CAMERON, a well-known progressive; CURTIS, a well-known progressive; DALE, EDGE, FESS, HALE, KEYES, McCORMICK, McLEAN, MEANS, METCALF, ODDIE, PEPPER, PHIPPS, REED of Pennsylvania, SHORTRIDGE, SMOOT, STANFIELD, STERLING, WADSWORTH, WARREN, WELER, and WILLIS.

Those Senators are perfectly splendid Senators. I do not for a moment read their names for any other purpose than merely to show how changes have come over the spirit of the dreams of the Senator from Alabama. Think of the Senator from Alabama yoking up with those well-known progressives of the Senate. I think the Senator from Alabama is to be congratulated or these well-known progressives on the Republican side are to be congratulated, and I will leave that matter to individual opinion.

Mr. HEFLIN. Mr. President—

Mr. McKELLAR. I yield to the Senator from Alabama.

Mr. HEFLIN. If the Senator will permit me, I desire to remind him of the statement which is found in the Scriptures in reference to an ancient city upon which a curse was about to fall, that if there could be found in it one righteous man the city would be spared.

Mr. McKELLAR. If the Senator from Alabama is admitting himself to be the one righteous man who voted for the Underwood substitute, I hope he may in some mysterious way yet save the others.

Mr. SMITH. Mr. President, I can not allow the passage of Scripture as quoted by the Senator from Alabama to go unchallenged. The statement is that the city would be saved if 10 righteous men were found therein.

Mr. HEFLIN. But I think it finally said one.

Mr. SMITH. No; it did not get down to one, for the man who was praying was himself a righteous man. The number was 10.

Mr. McKELLAR. I admit that the Senator from Alabama is righteous or not righteous, just as he says himself.

Mr. KING. Mr. President, I do not think either of the Senators can qualify as a biblical student.

Mr. McKELLAR. I accept that statement of the Senator from Utah, too.

Mr. President, the eloquent speech of the Senator from Alabama reminds me of the time when I first learned to admire his oratory. I think the first great oratorical outburst that I ever heard from the Senator from Alabama was in the House of Representatives on August 12, 1912. It is so appropriate to the bill that is now before the Senate that I think the Senator has done himself great injustice in not quoting a part of the speech. I am going to read it at this time in support of the Senator's position in his fight in this case. The Senator from Alabama then said:

If you divide that \$1,600,000 by 50 years, there is \$32,000 a year for the use of this little strip of river now singing the song of wasted strength as it rolls its way to the sea. [Applause.] And gentlemen talk about conservation. Now, what is a conservator? One who protects from injury. Are we injuring the river? No. We are improving it for navigable purposes and at the same time utilizing the power of that river, now serving no purposes and going to waste. That is what we are doing, Mr. Speaker. Conservation and preservation. For what? For useful purposes. Are we undertaking to do that? Most assuredly we are; but some gentlemen here are planting themselves in the way of the development of this river in my district. Mr. Speaker, I recall an occasion in this House when Senator BURTON, of Ohio, a Republican, then a leading Member of this House, had a bill providing for the construction of a public building in his district. It provided that it should be built of granite, and the sandstone people wanted it built of sandstone. Mr. BURTON said, "I ought to have the right to say of what material it shall be built; it is in my district." Some of his own colleagues turned against him. I took the fight up on this side with other gentlemen here, and I said the matter per-

tained to Mr. BURTON's district and outsiders had no business running their noses into it and depriving a Representative of his rights upon this floor. [Applause.] We voted with him. We saved the day; and Democrats and Republicans stood here and saw to it that Mr. BURTON was allowed to represent his district. But we have gentlemen here who talk about a dam site, and every time they hear of a dam site or see a dam-site bill they throw a fit. [Laughter and applause.] My friend from Illinois [Mr. Foster], my friend from Mississippi [Mr. Humphreys], and my friend from Wisconsin [Mr. COOPER] all look cross-eyed every time they hear of a dam-site bill.

They remind me of the fellow who was treated for the drink habit.

Old Uncle Jerry, in telling the story said: "Old Man Jimmy Simpkins's boy tuck powerfully to lick a while back and the old man tuck the guts of three green gourds and a double handful of green tobacco stems and boiled them down to a simmering stew. He then strained the juice into a glass, give it to his boy on his empty stomach early in the morning."

"Well, what became of him?" was the inquiry. The reply was, "Oh, he is doing fairly well now. He is getting to where he can drink a little water biled on the white of an egg and eat a snowflake cracker if it is browned and powdered good, and give to him in a spoon, but when we exercise him we have to blindfold him, for the mere sight of a tobacco patch or gourd vine sets him to vomiting again. [Laughter.] And they can't tell yet whether his relishment fer licker is gone or not." [Laughter and applause.]

Mr. Speaker, every time these gentlemen hear of a dam site, or see a dam-site bill, they are miserable, they suffer in the flesh, and hereafter when we exercise the gentleman from Mississippi [Mr. Humphreys]—

And, by the way, Mr. Humphreys has not done anything more offensive than I did the other day. He offered an amendment providing for national regulation of the dam site, and he was held up to contumely, ridicule, and scorn, just as I have been held up to-day for committing the same offense. The Senator from Alabama then proceeded:

and the gentleman from Illinois [Mr. Foster], we will have to blindfold them, because the mere sight of a dam-site bill sets them to heaving and sighing, and we can not tell you whether their relishment for representing all the districts in the United States is gone or not. [Laughter and applause.]

Then, Mr. Speaker, the gentleman from Illinois [Mr. Foster], the self-selected Member from the Nation at large [laughter], the astute and self-constituted guardian of every district in the United States [laughter], drew his little legislative blade and, cutting the air as he came [laughter], rushed recklessly in the arena to defend his people against the calamity that would overtake them if Congress should grant a permit to dam the Coosa. [Loud applause and laughter.]

Then, Mr. Speaker, I saw the gentleman from Wisconsin [Mr. COOPER], with an air determined and resolute, rise and lean forward, eager to hear all that was being said about building a dam across the Coosa River, down in my district. I could see his nostrils distend with indignation [laughter] and his eyes flash with the fire of serious concern [laughter] as he contemplated the outrage about to be perpetrated upon his people by the building of a dam across the Coosa River, way down in Alabama, in my district. [Laughter.] Then I could hear his big heart beating with fury as he expressed in lurid language his opposition to the construction of a dam across the Coosa River [laughter], and as he took his seat I could hear wailing and gnashing of teeth amongst his constituents in far-away Wisconsin. [Laughter and applause.] Then I seemed to hear his terror-stricken constituents say, "What will become of us and ours? Who will keep the wolf from the door? Who will shelter us in time of storm if they dare to dam the Coosa River?" [Laughter and applause.] Then they lifted up their voices and shouted in unison with the gentleman from Wisconsin, "You may dam the Ohio and dam the Tombigbee, you may dam the Hudson and dam the Tennessee, and you may dam the Mississippi, but dam the Coosa? Not by a dam site." [Loud laughter and applause.]

Mr. Speaker, if the men who have grown gray in the service of their States, and through their States have contributed to the strength and glory of the Republic, could witness the effort of gentlemen here to encroach upon the reserved rights of the State by demanding that the Federal Congress shall prescribe rules of conduct for and demand toll from a local enterprise in a sovereign State, they would shake their hoary heads in sadness and admonish these gentlemen to venture not upon this dangerous road of new nationalism. [Applause.]

If the men in middle life who glory in the traditions of Bunker Hill and Yorktown, who still cling with love and loyalty to the principles of the Constitution, could witness the effort of zealous but misguided conservationists to deprive the State of rights and powers vouchsafed unto it by the founders of the Republic—aye, if the young men, the hope of the country, the thoughtful students of our system of State and Federal Government, could witness this effort to strip the State of its just powers and leave it a useless, meaningless thing

in what is now the household of sovereign States—they would all exclaim: "This does not mean conservation, but it means damnation to the wisest and best system of State and Federal Government ever devised by the genius of man." [Applause.]

Here, in plain language, is the conclusion of the whole argument, although it was not delivered by my distinguished friend in his speech on this occasion:

The question is, Shall we invite capital to come and aid us, capital encouraged and controlled by State laws, in the development of a local power plant, or shall we postpone this development, lose this opportunity to aid navigation, and keep capital out of the State, because of foolish and unauthorized Federal restriction? [Applause.]

Permit the Alabama Power Co. to build this dam across the Coosa River and establish this nitrogen plant, and you have not only aided navigation and advanced the cause of industrial development in Alabama, but you have contributed to the comfort, happiness, and prosperity of our people. [Applause.]

Mr. HEFLIN. Mr. President—

Mr. McKELLAR. I shall yield in just a moment.

The Senator from Alabama made substantial the same speech here to-day; and while he did not mention the Alabama Power Co., that same power company stands knocking at the doors of Congress and seeking now just as it did then this great grant of power for its own private uses, under the pretense of desiring to manufacture fertilizer for the farmers. It has never manufactured an ounce of fertilizer for the farmers. Now it seeks in the same way, on the pretense of manufacturing fertilizers for the farmers, to get another enormous grant of power. It was a piker then. It is coming for a giant piece of Government property at this time.

Mr. HEFLIN. Mr. President, were we supporting a subterfuge when the Senator and I supported the Ford provision for compelling the making of fertilizers for the farmers? Were we supporting a subterfuge when we supported a measure that gave to the Government less by \$40,000,000 than the Underwood bill does?

What I rose to say, however, was that I have been profoundly impressed as the Senator read my speech here, and probably I was a little severe in my characterizations of him this morning on his socialistic views. I am now constrained to believe that there is hope for the Senator, since he has gone to studying my speeches. [Laughter.]

Mr. NEELY. Mr. President, by way of compensation for the extreme reticence of the junior Senator from Alabama [Mr. HEFLIN], which had escaped our attention until he spoke of it, I desire to read into the Record some rational observations concerning Muscle Shoals, which appear in to-day's New York World:

It seems fairly certain now that within the next few days the Senate will vote finally on the Underwood bill for Muscle Shoals. Debate has not run long enough to convince everybody what the Underwood plan will do, or even what it is meant to do. But at least there has been debate enough to tire out the Senate.

The immediate choice, as it now presents itself, is between the Underwood bill, which President Coolidge favors, and the Jones amendment to refer the whole question to a commission for a year's study and report to Congress. The Wadsworth amendment Saturday received but five votes. The Underwood bill is a better bill than it was a month ago. The failure at that time to throw any protective guaranties around the water power at the shoals, a failure to which the World objected, has subsequently been corrected by an amendment providing guaranties in conformity with the Federal water power act.

Nevertheless, there is so much disagreement among intelligent men as to what the Underwood bill will and will not do, there is so much insistence that a rental of 4 per cent on the cost of Dam No. 2 is too low a figure, there is so much chance that a commission of engineers can develop new opportunities to use Muscle Shoals to its best advantage, that the alternative plan for a year's study is a sensible way for the Senate to handle its problem. Dam No. 2 will not be ready until next fall; Dam No. 3 is still a diagram on paper. We should lose little by waiting a year, and we might lose much by rushing.

The author of the foregoing able editorial might have added, in the words of an old proverb, "delay is always better than disaster."

AMERICA'S INTEREST IN AIRSHIP CONSTRUCTION

Mr. COPELAND. Mr. President, at this time I desire, as I said, to make a brief statement regarding America's interest in airship construction.

Whatever contributes to the annihilation of distance and the shortening of time in communication between peoples or individuals constitutes a distinct service to mankind. Whatever does this advances the cause of harmonious human relationships.

The recent trip of the ZR-3 from Germany to the United States gives promise of a two-day mail and passenger service between this country and Europe. No one can question the incalculable international benefits such a service will confer.

The safety and speed of such travel has been amply demonstrated. The main condition upon which practicability now seems to depend is economy of construction and operation. Thus far this has been accomplished only by European, particularly by German-built dirigibles.

I am told that Germany has had dirigible passenger service for 15 years. It is stated that eight of their ships have made 1,691 passenger trips, covering 140,000 miles in 3,708 hours of travel, without loss of life or even injury to any passenger. I am informed, too, that professional Zeppelin pilots in Germany secure life insurance at ordinary premium rates, the companies recognizing these employees as being engaged in a normal occupation, which involves no extraordinary risk.

Rear Admiral Moffett revealed recently that the Navy-built *Shenandoah* cost \$1.37 per cubic foot. He advocates the construction of a 6,000,000-foot dirigible rigid airship to cost \$6,000,000.

In this connection it is interesting to observe that the German-built ZR-3 was delivered to our Government at a cost of less than 38 cents per cubic foot. Its builders profess to be anxious, if permitted, to deliver additional craft at the same figure.

Trans-Atlantic air-mail service is undoubtedly coming. American business men already have taken the necessary preliminary steps to inaugurate its actual operation. They are deterred only by immediate inability to buy their prospective fleet at reasonable prices.

The Zeppelin Co. claims its delivery of finished Zeppelins is a matter of months only. From any other source no delivery is possible for years.

If these things are true—and whether they are or not can be ascertained—does it not seem to impose an unnecessary retardation of an enterprise of such value to human betterment and progress?

Admiral Moffett asserts that dirigibles built at the cost price per cubic foot of the *Shenandoah* can carry mail with profit. The ZR-3 is probably the best airship yet built, and its makers would fill our order in one-third the time at one-third the cost of any other estimate so far made. Surely this difference would be a tidy contribution toward making up our much-discussed postal deficit.

This is only one of the many reasons why we of America have a direct practical as well as sentimental and humanitarian interest in the resumption of airship construction by the Zeppelin Co. It justifies us in protesting against the threatened destruction of its plant.

We are not advocating that any clause of the treaty of Versailles be rewritten or reinterpreted. We have no quarrels with the treaty provision which forbids Germany to build any airships for military purposes. Experts are in almost unanimous agreement on the negligible military value of airships, anyway. If this is true, the inhibition of the Allies against German activity in this direction is hardly less than an economic crime.

The status of the international situation is shown by this quotation from the Washington Post of January 9:

For a long time past Germany has been showing increasing dissatisfaction with the restrictions placed on the size and power of her commercial airplanes by the treaty of Versailles. These restrictions were nine in number and controlled flight radius, lifting power, size, etc., their object being to prevent the construction of commercial airplanes which could in a few hours be transformed into war machines. The French Government has insisted on these restrictions being maintained. The British, on the other hand, are of opinion that they no longer serve any good purpose, as Germany is now in possession of machinery for the rapid construction of war planes and could at very short notice construct a war air fleet.

The Council of Ambassadors is charged with enforcing the treaty clauses relating to the use of airships. The Council of Ambassadors permitted Germany to resume the building of airships for commercial purposes as of May 5, 1922, and arbitrarily defined commercial ships as those having a cubic gas content of 1,000,000 feet or less. The council thereafter authorized Germany to build the ZR-3, containing 2,500,000 cubic feet, for the United States Government, but for commercial purposes only. This sanction, inconsistent with its original sanction, proper though it may have been, surely characterizes the previous limiting definition as more or less absurd. To attempt distinction between military and commercial airships by size alone is as accurate as it would be to designate an

armored torpedo boat as a peace ship and the *Leviathan* as a man-of-war.

The tendency now is to make larger and larger airships. The council recognized this in its promise to revise the 1,000,000-foot limiting restriction by May 5, 1924. But, if I am correctly advised, this promise remains unfulfilled.

Do our European friends desire to curtail our air commerce as our marine commerce has been so effectively crippled? Great Britain, with government help, is building two huge dirigibles of about 5,000,000 cubic feet each. American business does not need nor ask for subsidies if it is only granted the privilege of buying in the best market without gratuitous foreign interference.

Germany has proven herself the leader in airship construction. Why should this progressive and necessary industry be forbidden to contribute its share of reparations under the Dawes plan?

Swift, safe intercommunication of this character is perhaps the most potent prospective factor in the promotion of international world-wide understanding and good will. How long shall we continue to be handicapped by European precaution against commercial rivalry?

Aeronautic progress and the welfare of the world demand the resumption of airship construction. Apparently the Zeppelin organization is almost or quite the only one of proven ability to build safe craft and to build them economically. Our own Government recognized this in arranging for the purchase of the *ZR-3*.

It recognized the same principle when previously it contracted to buy from the Zeppelin Co. a 3,500,000-foot ship which was to fly around the world without stop. Contracts were signed by our then Secretary of War. The Zeppelin Co. bought \$50,000 worth of materials. Construction was about to start when orders direct from Washington countermanded all previous orders from the same source, and declared the deal off. Because the Allies objected, and for that reason alone, our contract, written and signed by the two parties, became a scrap of paper. The Zeppelin Co. has never been able to collect one dollar of money expended by and due it on account of this transaction.

Are our international commercial policies forever to be controlled by alien diplomatic coercion? Is our advantage in having the world's only known helium supply to be nullified by selfish foreign influences?

It is our right to know why we are deprived of the freedom to buy airships from the best source; why the Council of Ambassadors has not kept its promise to revise the restrictions on Zeppelin-built airships for commercial purposes; if and when the council intends to make this promise good; why a peaceful commercial industry should continue to be under allied political ban, at great cost to Germany, to reparation payments, to aerial progress, to the United States, and to the world at large.

That was the purpose of the resolution I introduced in the Senate on January 5, 1925. The text of the resolution is as follows:

Whereas the Council of Ambassadors on May 5, 1922, permitted Germany to resume the construction of commercial aircraft, and publicly declared its purpose of revising, within two years, the restrictions imposed by them relative to the definition of what constitutes commercial aircraft as differentiated from military aircraft, and

Whereas there has been no public announcement of any such revision, and

Whereas the interests of this country and of present-day aeronautics demand the fulfillment of such promised revision: Now therefore be it

Resolved, that the executive department be requested to ascertain from the Council of Ambassadors its present attitude toward such promised revision and to inform the Senate thereof, if not inconsistent with our national interests.

It seems to me we should find out what can be done to correct the present situation.

THE FRENCH DEBT

Mr. DILL. Mr. President, at this lull in the discussion of Muscle Shoals I want to take just a moment to discuss an article which appeared yesterday in the Washington Post and to put in the Record a few figures appearing in that article.

During the past few weeks there has been a great deal of discussion about the debts of the allied countries to the United States, and Arthur Sears Henning, in an article which appeared in the Washington Post yesterday, summed it up so well that I want to put a few of the figures in the Record. He pointed out that if the Allies were to cancel the debts, France would cancel \$2,717,908,500, England \$8,684,334,000, and the

United States \$12,041,440,921. Without taking the time to read the article, I should like to have inserted as a part of my remarks the record as he gives it of the negotiations which have been had with the various countries covering these debts.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the matter was ordered to be printed in the Record, as follows:

[From the Washington Post, January 11, 1925]

(By Arthur Sears Henning)

Just because Great Britain is paying her \$4,600,000,000 war debt to the United States and France avers that she intends to pay her \$4,000,000,000 debt to Uncle Sam sometime, it should not be assumed that Europe has abandoned the notion of inducing America to cancel those bothersome obligations.

At no time have Great Britain and France abandoned their maneuvers to draw the United States into a position in which it would be induced or compelled to cancel the debts.

If cancellation were agreed to, France would forgive debts aggregating \$2,717,908,500, Great Britain \$8,684,334,000, and the United States \$12,041,440,921.

The debts fall into five classes:

1. Money advanced during the hostilities, nearly all of which was spent in the United States for the purchase of war supplies (authorized under Liberty bonds acts).

2. Advances through the American Relief Administration after the armistice for the purchase of relief supplies. (Act of February 25, 1919.)

3. Sales of surplus war materials after the armistice. (Act of July 9, 1918.)

4. Sales of flour through the United States Grain Corporation. (Act of March 30, 1920.)

5. Advances through the United States Shipping Board for transportation.

ALL DEBTS TREATED ALIKE

The Debt Funding Commission has made no differentiations in the handling of the various types of debts, all being treated alike.

Similarly, the commission has rejected all suggestions that money borrowed but spent in the United States for munitions or food should be separated from funds actually exported and should be scaled down according to a lower rate of interest or deferred to some distant date.

A brief description of the refunding agreements and of the status of the negotiations between the United States and other debtor countries follows:

Armenia: There is no government recognized by the United States.

Austria: The time of payment of principal and interest of the Austrian obligations held by this Government was extended until June 1, 1943, and the lien of the obligation subordinated pursuant to special authority conferred by joint resolution of Congress approved April 6, 1922.

Belgium: Baron de Cartier, Belgian ambassador at Washington, who has been appointed by the Belgian Government to negotiate with the commission, has stated that he hoped to lay before the commission proposals for the refunding of the debt. He has had some informal discussion with representatives of the commission in regard to the status of the indebtedness, but no proposals or representations with reference to its refunding have yet been received. Meanwhile Belgium has paid in full interest due on such of her obligations as were incurred for the purchase of surplus war supplies.

CUBA HAS PAID IN FULL

Cuba: The only war debtor of the United States which has paid in full is Cuba. Her \$10,000,000 has been fully discharged with all interest due.

Czechoslovakia: The representatives appointed by the Government of Czechoslovakia left the United States in July, 1923, with the understanding that they would continue their efforts to adjust all differences between their accounts and those of the United States and would return to the United States in order to continue negotiations. On April 9, 1924, the commission was advised that the minister of Czechoslovakia at Washington had been authorized by his Government to proceed with negotiations. No proposals or representations with reference to refunding have as yet been received.

Estonia: Mr. Antonius Phip, minister of Estonia at Washington, called at the office of the commission on January 9, 1924, and stated that he had been instructed by his Government to inform the commission of its desire to refund its indebtedness to the United States. No agreement has as yet been reached.

Finland: An agreement was reached on terms similar to those entered into with Great Britain and was approved by act of Congress of March 12, 1924. Bonds of Finland amounting to \$9,000,000 were received by the Treasury on March 22, 1922, and payments of interest and principal are being made regularly.

NEGOTIATIONS WITH FRANCE

France: In July, 1922, the French Government sent a special mission, headed by M. Jean V. Parmentier, director of the movement of funds of the French treasury, to the United States to discuss the debt with the commission. M. Parmentier laid before the commission certain data relating to the financial and economic situation of France. He said that his government desired to postpone for an indefinite period consideration of the matter, until the financial situation of France should become more clear, particularly as to reparation receipts from Germany. No definite settlement has been proposed up to date. Meanwhile, France has paid in full interest due on such of her obligations as were incurred after the armistice for the purchase of war supplies.

Great Britain: An agreement was reached on February 2, 1923, which was recommended by the President to Congress on February 7, 1923, and approved by act of Congress February 28, 1923. Bonds of the British Government aggregating \$4,600,000,000 were received by the Treasury on July 5, 1923. This agreement is important not only in itself but as a model for agreements with other governments. The terms in brief provide:

Principal of notes to be refunded	\$4,074,818,359.44
Interest accrued and unpaid up to Dec. 15, 1922, at 4½ per cent	629,836,106.99
Total	4,704,654,465.43
Deduct payments made Oct. 16, 1922, and Nov. 15, 1922, with interest at 4½ per cent	100,526,379.69
Total	4,604,128,085.74
Amount thereon to Dec. 15, 1922, to be paid in cash	4,128,085.74
Total principal of indebtedness	4,600,000,000.00

The principal of the bonds shall be paid in annual installments on a schedule subject to the right of the British Government to make these payments in three-year periods. The amount of the first installment will be \$23,000,000 and these annual installments will increase with due regularity during the life of the bonds until, in the sixty-second year, the amount of the installment will be \$175,000,000, the aggregate installment being equal to the total principal of the debt.

Interest is to be payable upon the unpaid balances at the following rates on December 15 and June 15 of each year: At the rate of 3 per cent per annum payable semiannually from December 15, 1922, to December 15, 1932; thereafter at the rate of 3½ per cent per annum payable semiannually until final payment.

For the first five years one-half the interest may be deferred and added to the principal, bonds to be issued therefor similar to those of the original issue.

Any payment of interest or of principal may be made in any United States Government bonds issued since April 6, 1917, such bonds to be taken at par and accrued interest.

Payments have been made regularly since the signing of this agreement, chiefly in the form of bonds purchased through their agents in the open market. Payments in bonds may be expected so long as the market is not too high.

Greece: No move to refund the existing debt has been made.

SETTLEMENT WITH HUNGARY

Hungary: An agreement was reached on April 25, 1924. On May 20, 1924, the Reparation Commission by unanimous vote agreed that the new bonds should have the same priority in respect to the assets and revenues of Hungary as that enjoyed by the obligations entitled "Relief series C. F., 1920," for which they were given in exchange. The settlement was approved by act of Congress of May 23, 1924. On May 29, 1924, the Treasury accepted bonds aggregating \$1,939,000.

Congress also authorized the Secretary of the Treasury, in his discretion, to subordinate the lien of the bonds received upon the assets and revenues of Hungary to that of the \$50,000,000 reconstructive loan approved by the Reparation Commission under date of February 21, 1924, without prejudice, however, to the priority over costs of reparation to which the bonds are entitled. On May 29, 1924, the Secretary of the Treasury consented to this subordination. The terms and arrangements for the payment of interest and principal are substantially the same as those accorded Great Britain.

Italy: The Italian Government stated in July, 1922, that it was prepared to send representatives to this country to negotiate with the commission, but no further action has been taken.

Latvia: No proposals or representations with reference to refunding have as yet been received.

Liberia: No proposals or representations with reference to refunding have been received.

Lithuania: The Minister of Lithuania in Washington appeared before the commission on May 16, 1924, and an agreement was reached on September 22, 1924, and approved by the President on the same day. The agreement is now before Congress for its approval. The terms and arrangements are modeled on those made with Great Britain.

Nicaragua: This indebtedness has not been refunded. Payments are being made from time to time on account of the obligations held by the United States.

Poland: The Minister of Poland in Washington appeared before the commission on June 23, and an agreement was executed on November 14, 1924, and agreed to by the President on the same date. The agreement now awaits the approval of Congress. The terms are substantially the same as those made with Great Britain, except for a provision under which Poland shall have the option to liquidate amounts due under the agreement prior to 1930 in part by certain annual payments aggregating \$10,000,000 and the balance in bonds of Poland similar in terms to those originally issued.

Rumania: Representatives of the Rumanian Government appeared before the commission on November 22, 1922. The exact amount of the debt was considered and unified. The representatives then explained the difficulties which their country was facing financially, but expressed their determination to enter into a definite agreement as soon as it was possible for them to commence the payment of interest. No proposals have since been received.

Russia: There is no government recognized by the United States.

Jugoslavia: Representatives appointed by the Government of the Kingdom of the Serbs, Croats, and Slovenes appeared before the commission April 7, 1924. They stated that their Government intended to present to the commission a plan for the refunding of its indebtedness to the United States, but that due to the economic and financial conditions existing in their country it did not feel that it could do so at the present.

DEBTS DUE GREAT BRITAIN, FRANCE, AND THE UNITED STATES

Here are the amounts of the interally debts:

Debts owed to Great Britain by: France, \$2,707,020,000; Italy, \$2,317,248,000; Russia, \$2,728,404,000; Belgium, \$502,524,000; Yugoslavia, \$107,406,000; other nations, \$321,732,000. Total, \$8,684,334,000.

Debts owed to France by: Russia, \$1,111,000,000; Belgium, \$584,300,000; Yugoslavia, \$300,000,000; Poland, \$208,000,000; Greece, \$177,200,000; Czechoslovakia, \$106,000,000; other nations, \$230,608,500. Total, \$2,717,908,500.

Interest is not included in the above figures, as the European powers have never reached an agreement as to the rate of interest on their war debts. These figures are approximate.

Debts owed to the United States by: Armenia, \$14,861,192; Austria, \$29,829,079; Belgium, \$471,823,713; Czechoslovakia, \$115,528,439; Estonia, \$17,488,685; (x) Finland, \$8,955,000; France, \$4,137,224,354; (x) Great Britain, \$4,577,000,000; Greece, \$17,250,000; (x) Hungary, \$1,953,542; Italy, \$2,097,347,122; Latvia, \$6,289,092; Liberia \$32,118; (z) Lithuania, \$6,030,000; Nicaragua, \$140,590; (z) Poland, \$178,560,000; Rumania, \$45,605,448; Russia, \$251,383,490; Yugoslavia, \$64,139,050. Total, \$12,041,440,921.

(x) Finland, Great Britain, and Hungary have already refunded their debts and are paying in on them. The refunding terms have been approved by Congress.

(z) Lithuania and Poland have made similar refunding agreements, which will go into effect immediately upon ratification by Congress.

These figures represent total indebtedness to the United States, principal and interest as of November 15, 1924, from the governments concerned. All unfunded debts are in the form of demand obligations.

Mr. DILL. Mr. President, in this connection I want also to recall the history of our Revolutionary debts to France, and her treatment of the colonists at that time. France is suggesting, through a rather informal note—I understand it is not to be taken as an official document of the French Government but simply a statement by the minister of finance—that she wants a 10-year moratorium, and 80 years in which to pay the principal, with interest at a suggested rate of 1½ per cent. So I say that as a background it is interesting to review the history of our own debt to France and its payment following the Revolution.

Some days ago the Senator from Maryland [Mr. BRUCE] referred to the fact that there were certain gifts by the French King during that period, and I find in looking up the facts that those gifts amounted to about 10,000,000 livres. The French King, at the beginning of the Revolution, was not willing openly to make loans, but preferred to help the Colonists by secret gifts, through Beaumarchais, and later loans were made to the amount of something like 34,000,000 livres, a livre at that time being equivalent to 19 cents of our American money.

As soon as the hostilities between England and France had ended, the French demanded a settlement of the debt, and the United Colonists of that time made a settlement in 1782, before the treaty of peace between the colonists and England had been signed. In that settlement it was agreed that the Colonists would have a three-year moratorium following the declaration of peace, and the total amount to be paid was 45,000,000 livres.

The French King at that time said that as a further mark of his favor to the United Colonists he wanted to forgive the interest which had accrued on the colonial debt. We were not to begin payment of the principal for three years.

The treaty of peace between the Colonies and Great Britain was signed in September, 1783, but in 1786, under the Articles of Confederation, the colonists were not able to pay anything, and the three-year moratorium was in reality extended to 1792, and we made no payments until that year. The Colonists were compelled to borrow money in Holland and France to maintain our foreign representatives during that period, and even to establish the new Government, after the Constitution had been adopted.

I call this to the attention of Congress and of the country because it shows a very liberal spirit on the part of the French Government in those days, a spirit which should not be forgotten when France's debt settlement is to be considered by this Government. However, when the new American Government did become able to pay and did begin payment in 1792 the new Government paid very rapidly, so that in 1795 the entire debt had been settled through the making of loans in Holland.

Mr. President, there are certain similarities between the debt of the French to-day to this Government and the debt of the Colonists to the French following the Revolution. It is said that France spent here in the United States most of the money which she borrowed from this Government in the late war. So did the United Colonists spend in France the money which they borrowed from France.

It is said that France's need was desperate, and that she should be ready to pay this debt as quickly as possible. So was the Colonists' need very desperate when France advanced money to save the Revolution. It was so desperate, in fact, that in February, 1778, when we were pressing so hard for an additional loan, about 4,000 men had been returned as unfit for service because of lack of clothes. In January, 1780, General Washington reported that the Army had been on short rations of bread for three months, and that the rations must be shortened.

Another interesting fact is that the French Government seems to make a distinction between the money borrowed during the late war from this Government and the money borrowed after the war. My information is that the French Government has paid the interest on the loans made by this Government since the war ended, but has not paid the interest on or taken any steps toward the settlement of that which was loaned during the war.

It happens that the Colonists borrowed some of their money from France before the end of our war with England and some of it afterwards; but France made no distinction in those days in the settlement of the debt, and I think our own Government is correct in the attitude that we should make no distinction to-day.

French representatives take the position that this debt should be considered a political debt rather than a commercial debt, because it was money used in a common cause to save civilization. If that be considered a fair statement, it can well be said that the money borrowed during the Revolution was used to establish democratic government in the world. France did not consider that the money she then loaned to us—primarily, I think, because of her opposition to England and her hatred of England as the result of other wars—a political debt, nor should she now want us to consider her debt a political debt.

My complaint is not that France asks for liberal terms so much as that she does not make a definite proposal for any terms. Six years have passed since the war ended, and still we have no definite proposal. It seems to me that France ought to do what the almost unformed Government of the Colonies did following our war with England—she should make a definite proposition, offer an agreement to make a complete settlement of the debt, and thus place this Government in a position to be liberal in its attitude toward the payment of the debt.

THE AGRICULTURAL PROBLEM

Mr. BORAH. Mr. President, the outstanding feature of the last political campaign was the interest manifested upon the part of all candidates and of all political parties in the farmers of the United States. I do not recall any time in the history of our country such a deep-seated affection for any particular class of voters as seemed to be manifested toward the farmers in this last campaign. All candidates gave particular attention to their needs and to the conditions which seemed to environ them, and the most specific pledges were made to treat their conditions after the election was over.

Large amounts of money were sent into the agricultural States from the manufacturing States for the purpose of advising the farmers as to their ills and as to what should and would be done immediately after those who were candidates were placed in power. Indeed, the campaign turned in a large measure upon this question of the agricultural problem. It is conceded that had the agricultural States taken any particular view other than that which they did take, the result would have been entirely different.

Now, it is said conditions have wholly changed, that there is no longer any necessity for considering the agricultural problems. A very well-organized and apparently widespread campaign is going on to convince the farmer that his condition is entirely satisfactory. He is now advised that his troubles are either imaginary or such as are remedying themselves. How different to the anxious promises of a few weeks ago.

In a paper which I have here on my desk it is said:

Some Republicans in the Senate still insist there should be a special session of Congress to take up agricultural legislation, but the majority feel that the steady improvement of conditions among the farmers will make unnecessary any legislation before the assembling of the regular session of the Sixty-ninth Congress next December.

That seems to be the attitude which is being assumed upon the part of the great majority of those in power, to wit, that there is no longer any necessity for treating the agricultural problem; that conditions have so improved that we may put it aside until it is convenient for Congress to take it up next December.

In my opinion, fundamentally, the conditions affecting the farmer have not changed at all. I think the problems which confront us with reference to agriculture, if the farmer is to have any permanent relief, are the same as they were prior to the time the votes were cast in November. It is quite true that there has been in some localities to some extent a betterment of conditions, owing to an increase in the prices of certain articles; but, as I shall undertake to show a little later, that is due to transient causes, and may as suddenly disappear as it has appeared. But the great, underlying, fundamental questions which have to do with the restoration of agriculture to its proper place in the industrial life of America have not changed, to my mind, in the slightest.

As I look upon the agricultural question, Mr. President, it is not a temporary problem, not a passing question; it is not a local problem. It has come to be in every particular a national problem, and of just as much concern in one respect to the consumer and to the manufacturing interests as it is to the farmer himself. It is not a problem, in other words, which touches alone the welfare of the man who is upon the farm and undertaking to find a market for his products.

It is a problem which reaches out and incorporates in its effect the entire national life, and therefore the questions or the principles which enter into a proper consideration of it will be wholly misconceived if we undertake to treat them as applying to one particular class alone.

I want to say before treating of some features of it which it seems to me Congress must consider, that, of course, one of the primary evils with which the agriculturist has to contend is that of unjust and destructive taxation. I am perfectly aware that only indirectly do we affect the agricultural interests here in that respect, and that more directly that matter is with the States. But the subject must be considered as a whole and the party in power, whether in power in particular legislatures now assembling or in power in the Congress in session, is obligated to consider it as a whole.

I find upon examination that in 1913 the tax bill of the American farmer was \$624,000,000. In 1922, some eight years later, it was \$1,700,000,000. The rate of increase in the States wherein he is most particularly affected is now about 8 per cent per annum. I venture to say that no system or program will restore the American farmer to the place of prosperity which he should enjoy so long as this unconscionable exploitation continues in the name of government. There is no way, in my opinion, by which we could restore that confidence which ought to obtain upon the farm or that success which ought to obtain so long as the different States where he is particularly concerned continue this method of exploitation. To add over a billion dollars in the way of a tax bill, doubling and trebling the load in the short space of eight years, with a promise of a continuance of an increase at 8 per cent, means the destruction of American agriculture, and the fact that it is accomplished and achieved in the name of government does not, in my opinion, relieve it from the condemnation which it should receive.

I pause to read a paragraph, not from one who might be regarded as speaking from a political rostrum or from a

political standpoint, but an expert, an economist. Professor Ely said in a late statement:

Taxes on farm lands are steadily and rapidly approximating the annual value of farm lands, and in a period varying from State to State, but in most of the States in a relatively short period, a period so short that some of us may live to see it if the movement continues unchecked, the taxes will absorb farm land values. The farmer's land will be confiscated by the State and our farmers will become virtual tenants of the State.

So rapidly is this paralyzing, enervating, destructive system growing and developing that one of the great economists of the country advises us that within 150 years in the life of this Government the cost of government has already reached the land values and is still climbing by rapid strides.

It is not only that this burden is imposed as I have stated, but it is the disproportionate amount of taxes which the farmer is compelled to pay. The man in the agricultural field is not in a position to conceal his property. He is not possessed of that kind of property which can escape taxes as many other kinds of property may. The result is that whatever he has carries its full proportion of taxes. So we see that in 1913, measured upon the ratio of income, the farmer paid 10.6 per cent of his income in taxes as compared with 4 per cent for the balance of the community. In 1922 he paid in taxes 16.6 per cent while the balance of the community paid about 10 per cent. In some of the great agricultural centers, in some of the richest acres in the world, it is literally true that in the last three years the taxes of the county have exceeded the value of the wheat crop.

It may be said, and may be properly said, that that is a matter with which Congress can have little to do, that that great burden is imposed principally through the States and State legislatures, and I recognize that fact. I recognize, also, however, that there is no way by which to prevent a continuance of such a program other than that of arousing, organizing, and crystallizing public opinion along these lines. There seems to be no other way to prevent parties in power in the respective States from loading down the taxpayers through waste and salaries, and the immense pay rolls which take care of political hangers-on, but by an aroused public sentiment. These overhead charges in the States are something which in my opinion will necessitate a rehabilitation and reorganization if the industry is to survive. Agriculture can not survive another era of waste and profligacy, of shameless expenditure of public funds.

But, Mr. President, there are some features of the matter with which Congress has to do. The farmer does not get his proportion of that which his product brings. The marketing system in the country, in so far as we have any system at all, is one which deprives the farmer of any due proportion of the value of his product. A gentleman who has given a lifetime of study to this subject has given me some figures which I venture to believe are accurate, sufficiently accurate at least to justify the deductions which may be made. These are the figures: The total cost to the consumer of farm products in the year 1922, exclusive of cotton, tobacco, and products of animals, was \$22,500,000,000. That is what the consumer paid for the products from the farm exclusive of those three articles. Of this amount the farmer received \$7,500,000,000, the railroads for transportation \$500,000,000, and commissions, profits, storage, and waste, and other local distribution charges, or the costs between the producer and the consumer, consumed \$14,500,000,000.

Of course, with the other burdens to which I have referred upon agriculture, it is utterly impossible for it to survive under a system of marketing which gives to the farmer \$7,500,000,000 out of a value of the products of the farm as they go to the consumer of \$22,500,000,000. The only way it can be remedied is by a real system of marketing, not voluntary alone, but in which the Government of the United States may have a directing hand. That is not a problem which has passed or solved itself since the 3d day of November, 1924. That is one of the fundamentals of the situation which is here for us to consider, and until it is worked out I venture to say that the condition of the American farmer will be very little bettered by reason of the temporary rise in the price of this or that particular product, because that is too uncertain upon which to build. The rise in the price of wheat or of this or that product may enable him to get by for a season, to postpone his foreclosure or to get a new loan, but it will not enable him to get upon that side of Easy Street to enable him to face any crisis which may be expected within a reasonable time. It is a serious task to work out an effective marketing system, but it is one of the problems we have to solve. It will take extended and arduous study and consideration, but we have postponed it all

too long. I can think of no better or more appropriate time than in these coming months. The solution of that problem would not only go far toward rehabilitating the farm but it would serve all the people in all the different walks of life. It may take weeks, it may take months, and those weeks and those months are ours. Are we willing to meet this high patriotic obligation with courage and with some sacrifice of our own convenience and pleasure?

Much has been said of late about increase of prices in farm products. We must take into consideration that in all probability the cause of the increase of price in those products was the crop failure abroad. The indications are now that that will not long continue. Already I observe in the latter part of December the foreign markets decreased about two-fifths, leaving about three-fifths of what they were in 1923 and less than one-half of what they were in 1922. So while during the latter part of the summer and early fall, by reason of the crop failure abroad, there was an increase of price in particular articles, as I have said, it is only a temporary relief, and so long as the fundamental condition of the farmer remains the same he can only enjoy it as a temporary relief.

Mr. STANLEY. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Kentucky?

Mr. BORAH. I yield.

Mr. STANLEY. The Senator suggests some improvement in the method of cooperative marketing in which the Government can or will be a participant. I am very much interested in that phase of it. Has the Senator any specific plan to suggest in which the Government will partake in the way of at least a partial elimination of the costs to which he refers, which are involved in considerable part in many cases in the charges of the middleman between the producer and the consumer?

Mr. BORAH. Mr. President, it is not my purpose to-day to discuss plans. What I desired to discuss particularly was the necessity of doing something. There are, however, three bills now pending, one particularly to which I have given attention, found in the Williams bill in the House of Representatives, which I think is a very carefully drafted measure. While I would not say that that measure is one that would not require some changes, I am satisfied that it does deal with a subject with which we have got to deal; and I am satisfied also that even if that bill does not meet the situation it is up to Congress to find one that will do so.

I know also that the Senator from Kansas [Mr. CURTIS] has a bill pending which has not only received his attention in the drafting but has also received the attention of a gentleman who has been a student of agricultural affairs all his life and in whom I have great confidence. There is also a well-considered bill here by Senator NORRIS. There is now in preparation a measure which seeks to cover the whole subject. The bills are here. The question I am presenting to-day is, Will we take them up?

Without digressing further to discuss particular measures, I desire to say that there are plenty of suggestions here, if we can have time to work them out; but if we wait for a year or so, we shall not do so, I fear. I digress here to read a paragraph or two from a statement only recently made by the Secretary of Commerce which seems to support the suggestions which I have made. He states:

What is needed is some organization of agriculture by which needed adjustment, which at present and in the past has taken many years, could be made in one or two years. It is conceivable that if all agricultural production were organized completely into great cooperative units, it would be possible to bring about economic adjustments in one to two years in the same way that industry is able to do it.

These wastes—

Referring to wastes between producer and consumer—

These wastes comprise:

1. An unnecessary number of purchase and sale transactions; that is, an unnecessary number of links in the distribution chain and an unnecessary number of people in each link.
2. The waste in transportation of inferior and unsalable products.
3. Deterioration from delayed movements, marketing, and repeated handling.
4. Unnecessary transportation through blind consignment and cross hauls in search for consumers.

There, Mr. President, so far as the West is concerned, is the most vital suggestion in all the suggestions made by Secretary Hoover. He continues:

5. The uncontrolled distribution by which local gluts and famines are created, with consequent destructive fluctuation in price levels and stimulation to speculation.

6. Inadequate transportation for expeditious handling; that is, poor terminals, car shortages, etc.

7. The speculative hazards in distribution induced by all of the above, for which either the producer or the consumer must pay through larger margins to the distributors.

A broad study of this problem would show that the volume of these fundamental wastes increases with the perishable character of the commodity and with the distance.

If we will approach the problem of agricultural marketing from the point of view of providing a plan which will eliminate as much of these wastes as possible we may bring about very great savings both to the farmer and consumer—in fact, a revolution in our distribution system.

Mr. President, speaking of the things which contribute to the better outlook upon which so much dependence is made now for the farmer, perhaps mention might also be made in connection with the crop failure abroad of what is known as the Dawes plan. It gave a certain tone of confidence to the situation and undoubtedly contributed to some extent to the betterment of conditions so far as the foreign market for farm products was concerned. I do not at all disparage the value of the Dawes plan; yet, if I owned a farm and its value depended upon the ultimate success of that plan without some other things of very great moment being done, I should be willing to part with my holdings at the first opportunity.

That plan is already in peril, and unless other steps shall be taken by which to clear the way for its operation, in my opinion, its effect upon the farm products of this country will be as temporary as are the crop failures in Europe. Until the final and ultimate amount which Germany must pay has been settled, and settled within reason, the Dawes plan can never, in my opinion, be permanently beneficial. So long as that problem is unsettled it can have only a temporary and passing benefit. It had the great virtue of bringing France and Germany in contact and of opening the way, it is hoped for the adjustment of other problems. In that respect its value was very great, but if conditions come about by which we are deprived of the fruit of that contact and the ultimate amount which Germany is to pay remains unsettled, I do not think that anyone feels that the Dawes plan can operate successfully for any considerable length of time.

Again, Mr. President, the underlying principle of the Dawes plan is that it gives over to the management of foreign powers or foreign agencies the industrial and the fiscal policies of a great people. That may be all well enough, and probably was the very best that could be done for the time being, but as a permanent policy it can only be successful while foreign governments are willing to loan their money to the nation thus managed; in other words, if a program is not so arranged that those people themselves can work out their salvation and they themselves rebuild their economic system and their industrial life, necessarily the management of foreign agencies will in a short time break down. As a long continued or anything like a permanent proposition it would result in economic peonage—a thing of short duration in the light of modern civilization.

I mention this not by way of criticism but to suggest that those who believe that the farm question in this country has been settled either by the crop failures abroad or the Dawes plan alone, it seems to me, have made the serious mistake of attributing to temporary relief the results which we hope might ultimately come from permanent relief.

I observed the other day, Mr. President, that the United States Chamber of Commerce had volunteered its advice to the President upon this subject, and, whether it is interesting to Members of this body or not, I know it will be interesting reading to the farmers of the country. The farmers know well how thoroughly familiar the members of the United States Chamber of Commerce are with their condition and how closely in touch they have been with their situation. The farmers will be greatly moved to learn how false and fleeting were their troubles. I quote from a newspaper article:

No extraordinary session of Congress will be necessary to enact legislation for the relief of the American farmers, President Coolidge was told yesterday by representatives of the United States Chamber of Commerce.

Prominent Republican Members have insisted that a special session of Congress should be called to consider farm legislation after the report of the President's agricultural commission has been made, but there is growing belief that the continued improvement in agriculture will preclude any need for legislation until the Sixty-ninth Congress convenes next December.

Why next December? If the conditions are improving as claimed, the farmers will certainly be infinitely better off next December than they now are.

Mr. President, I wish the United States Chamber of Commerce would first take to the President information as to how many farms were abandoned in 1924; also as to the number of farms that are now being foreclosed, and what proportion of those foreclosures have been begun since the 3d of November, 1924, and also as to what amount of interest remains unpaid upon American farms to-day. I wish they would place before the President some of the country weeklies published throughout the great agricultural regions of the West in which three and four pages are filled with tax sales, and see if that would not create a different impression upon the President of the United States than that created by the theories of men who look at the farmer through a Pullman car window as they speed from the Atlantic to the Pacific. In 1923, 1,000,500 people left the farm for the city. The hebra is just as strong to-day. In the 15 great Northwestern States, out of 69,000 farm owners 28,000 between 1920 and 1923 lost their farms through foreclosure and tax sales; 3,000 lost their farms without legal process, and 10,400 held on through leniency of creditors. The conditions fundamentally are no better now.

Then we are told in this interview there is another reason why nothing is to be done, and that is that this so-called relief for the American farmer is a mixture of politics and economics, which is always bad when applied to a particular class of individuals. Let me ask, my friends, what is the protective tariff system except politics and economics? Why do the great manufacturing establishments of the United States come to Congress and say, "We can not pay our taxes; we can not pay our interest; we can not maintain our institutions unless the Government interposes protection between us and those who manufacture abroad"? And so the Government—and I am not now discussing the wisdom or unwisdom of it—interposes in behalf of the American manufacturer, mixing politics and economics, stopping the natural flow of articles into this country by the barrier which the Government raises and thereby protects the manufacturer.

When the railroads get into trouble, as they did at the close of the war, they come to the Government for aid, and they receive material benefit. While it may be said that the railroads are public utilities and possibly stand in a different attitude from a legal standpoint as compared to the attitude in which the farmers stand, there is no more necessity for maintaining railroads in the country than there is for maintaining agriculture. Agriculture is just as much a part of the life of this Nation as our transportation system. I have observed that there is never any denunciation, particularly upon this side of the Chamber, of the mixture of economics and politics when these institutions or these interests are involved.

The farmer is asking the aid and direction of the Government in the marketing of his products. In my opinion, owing to the widespread scope and scattered life of agriculture it is impossible for the farmers to organize and direct their affairs alone; it must be done, in my judgment, under the operating direction of the Government of the United States; mind you, I say under the directing agency and certain statutory directions and limitations as to middlemen.

Mr. JONES of New Mexico. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from New Mexico?

Mr. BORAH. I will yield in a moment.

My interest in this brief suggestion to-day, Mr. President, is, so far as I am concerned, to record my protest against the proposition that the agricultural situation has settled itself, or that it will in the near future adjust itself, so that there is no longer any necessity for us to consider it. There are those who say to me that this or that remedy is unwise, or that the Government can not aid in this matter; that is a subject about which men may differ, but when they say that the conditions of agriculture have so changed that the situation is no longer serious, no longer demanding the attention of those who are interested in the prosperity of their country generally, I undertake to say that the facts do not sustain the assertion.

Let me ask here, in closing, suppose we had gone into the agricultural States last October and said to the people of those States, "This is our program: If you will return us to power, we will go back into session in December, 1924, and pass the appropriation bills. Possibly we may add a few bills increasing governmental expenditures, and thereby adding a little weight to your taxes; but the great task which will confront us in the winter of 1924 and 1925 will be the passing of the appropriation

bills. Then after we have passed the appropriation bills we will go home, and we will remain there until December, 1925. In December, 1925, we will return and pass another set of appropriation bills. We will likely close up on the appropriation bills about the 1st of March, 1926; and at that time, if you are not all off the farm, we will take up the question of considering your problem."

What would have been the result had we said that to the people of the agricultural States in the latter part of October, 1924? Until the polls closed, however, until the last voice died away, there was a solemn pledge upon the part of the party going into power, as we said in our platform, that this agricultural problem was a fundamental problem and we proposed to deal with it when we were given power. To that pledge we are committed. There is no way to avoid it except to abandon our promise to those who placed us here.

If we wait until the beginning of 1926, we shall be again facing an election. We shall be legislating under the influence of another vote-getting program. We shall legislate from the standpoint of expediency. We shall deal with it as men are wont to deal with a situation where political exigencies confront them. There is just one time to deal with these problems, which require scientific investigation, which call for study and care and some courage and some determination, and that is just as soon as we can do so after we have been given the power to do so.

I will yield now to the Senator from New Mexico.

Mr. JONES of New Mexico. Mr. President, the Senator from Idaho has been addressing us very forcefully regarding the temporary relief which the farmers of the country have been experiencing. I should like to inquire of the Senator if he has given particular attention to another phase of the same problem.

At the present time the balance of trade, so-called, is largely in favor of the United States. We are exporting commodities in a much greater measure than we are importing them.

Mr. BORAH. That is, in greater quantity.

Mr. JONES of New Mexico. In greater quantity and of greater value in dollars.

Mr. BORAH. Of greater value in dollars in one sense; but if you take the purchasing power of the farmer's dollar I do not agree with the Senator.

Mr. JONES of New Mexico. Well, be that as it may, it has no real significance regarding the point which I wish to suggest; but in dollars the balance of trade is largely in our favor, and at the present time that balance is being met by credits extended by the nationals of this country to the governments and nationals of other countries. The amount of those credits, so I am advised, is becoming very, very large. At the end of the year 1923 it amounted to about eight billions of dollars. During the year 1924 it was increased by about one and a half billions of dollars. So that at the beginning of this year there was already due to the nationals of the United States, on account of these credits, about nine and a half billions of dollars. There is due to the Government of the United States from foreign governments, roughly speaking, eleven billions of dollars more, making more than twenty billions of dollars due at the present time from sources outside of the United States to our Government and our nationals.

In the nature of things, can that condition be more than temporary? Are not these vast credits which we are extending to the rest of the world, the things which are now bolstering up and maintaining even the present prices and affording a present market for the farmer's products?

I may suggest also that that relates to the exportation of manufactured products. It must be evident that we can not expect payment in gold, because we have more than one-half the gold of the world now. There is only about eight and a half billions of dollars of gold money in the world; and if we were to bring together all the rest of the gold in the world in one pile and present it to the United States, it would only pay about one-fourth or less than one-fourth of the present indebtedness of the rest of the world to the United States.

The Senator referred a while ago to the tariff which we have built up here for the benefit of the manufacturers of the country. Should we not consider this situation with respect to the farmers of the country, and even the manufacturers themselves—that their market abroad, which means their prosperity, is being destroyed by the processes which have been brought into existence for the benefit of the manufacturers of the country? Is not this situation necessarily temporary? Can we go on forever extending credits abroad in order to enable those people to acquire our commodities?

It has been stated that the interest upon these private credits amounts now to three-quarters of a billion dollars a year, and, of course, that is bound to increase as time goes on; and should we not devise some permanent method whereby the farmers of the country, as well as the manufacturers of the country, can get actual payment for the things which they ship abroad?

In the discussion of the tariff bill a couple of years ago it appeared from the Reynolds report that about three-fourths of the commodities which are being imported into this country are not competitors with the manufactures of this country; that the articles which are imported are not comparable and can not be compared with the commodities produced in this country. That commission was given the duty of ascertaining the comparable articles imported and those which were manufactured in this country with respect to price; and experts tell me that three-fourths of the commodities mentioned in that report are not comparable with articles produced in this country, and therefore are not competitors. Should we not take up for consideration at least the question whether or not we should try to find a market in this country at reasonable prices for our people, so as to create a market abroad for our surplus commodities and enable the foreign people to have an opportunity to pay for the things which they get instead of giving us mere pieces of paper?

Mr. BORAH. Mr. President, the suggestions of the Senator from New Mexico open up a question which one scarcely dares to think of, because it is manifest that unless such conditions are brought about that Europe can and will get back to peaceful pursuits and produce things with which to meet these obligations, this extension of credit is going to bring sooner or later its own disaster. In that respect I quite agree with the Senator; but that opens up another subject which I shall discuss later in connection with a conference.

Mr. COPELAND. Mr. President, will the Senator from Idaho yield for a question?

Mr. BORAH. I yield the floor.

Mr. COPELAND. I wanted to ask the Senator from Idaho a question. I am surprised that he has taken his seat. I thought he was going to introduce the bill which would offer to the farmers the relief of which he speaks. I am sure that if the Senator from Idaho is ready with his bill the Senators on this side will be very glad to assist him in passing it.

Mr. BORAH. The bills are already here. What I am asking is for a chance to consider them.

Mr. COPELAND. Then why not have them before us?

Mr. BORAH. If the Senator can find the time, we will take them up.

Mr. SWANSON. Mr. President, as I understand, the Senator's position is this: He spoke with his usual clarity and courage, on which I congratulate him, and said that the voters of this country in November were assured that the fundamental questions affecting agriculture would be settled to the satisfaction and benefit of the agricultural interests of the United States. They expected, when they voted, that it would be done promptly.

Mr. BORAH. Yes.

Mr. SWANSON. If this action is delayed until next November, the Senator does not think it would be a fulfillment of the pledges and promises made by the Republican Party as understood by the voters when they voted in November. We ought to have an extra session of Congress to dispose of these pledges and promises now.

Mr. BORAH. That is my position, and I understand that is the position of the Senator from Virginia.

Mr. SWANSON. I concur with the Senator, except that I never expected to see the pledges fulfilled. That is where he and I differ.

Mr. BRUCE. Mr. President, I desire to make a few brief observations on what has been said by the Senator from Idaho [Mr. BORAH].

I listened to the Senator, as I always do, with a great deal of pleasure. We all know that he is at least one man in public life who is absolutely incapable of using the farmer as a mere demagogic instrument for advancing his own personal fortunes or the fortunes of his party. Therefore I listened to him not only with pleasure but with respect. It does seem to me, however, that what the Senator has said is as unsatisfactory as everything else that I have ever heard said as to just what the special grievances of the farmer are at this time, and as to just what the special remedies are by which they are to be corrected.

I represent, I think I can truly say, a very sensible, well-balanced, conservative constituency. Some time ago I had

occasion to say to the President of the United States, "You know, Mr. President, our people in Maryland are, I think, a sane, sensible, well-balanced people," and I am glad to add that he spoke up with unwonted emphasis and declared, to my great gratification, "Yes, Senator Bruce, that is undoubtedly so."

Mr. KING. I suppose that is because they voted for him.

Mr. BRUCE. That was before the last election; though I have not the slightest doubt that his good opinion of them has been very much enhanced by the fact that they gave him at that election a majority of some 16,000 or 17,000 votes, as I remember. However, he may rely on it that when our next local election comes around, that Republican majority will melt completely away, if I am not mistaken.

There was a great deal of agitation on the subject of agricultural problems here, all will recollect, at the last session of Congress, and more than once during that time, when I happened to be conversing with some Maryland farmer on the subject of the existing agricultural depression, I would have him say to me, "Yes, Senator Bruce, conditions at the present time are pretty bad, but we can not see that you fellows in Washington can do anything for us." That, I venture to say, is the attitude of the farmer more or less in Delaware, in the State of New York, in the State of Pennsylvania, and throughout New England also. He knows that there is very little that the Government can do for the farmer. The farmer's adversity and prosperity are things that are mainly, at any rate, produced by natural causes over which legislative bodies have no control.

Mr. BORAH. Mr. President, who is it but the Government who imposes on the farmer these tremendous tax burdens?

Mr. BRUCE. It is the Government; but may I ask the Senator from Idaho whose Government this is? Is it not the Government of the farmer, too? Does he not constitute one of the very largest numerical elements of the electorate, and if the Government is heaping upon him or upon any class of our citizens inordinate tax burdens, upon whom is it more incumbent than upon the farmer to see that those burdens are lightened by the exertion of the proper political influence?

Mr. BORAH. I do not know about the farmers in Maryland, but the farmers out through the West have been making a rather heroic fight along that line for years and have not accomplished it.

Mr. BRUCE. The trouble about the western farmer is—and I say it with the profoundest respect—that he does not make a sufficiently heroic fight. He has formed to no small extent the paternalistic idea that whenever misfortune befalls him, it is in the power of the Government, by a gift or by a loan or by governmental patronage in some form or other, to come to his relief.

Mr. BORAH. Mr. President, the Senator speaks of the western farmer and the Maryland farmer. I have had more letters from Maryland, proportionately, in regard to a special session and to relief for the farmers, than from any other State except some of the far-western States.

Mr. BRUCE. I am very much interested in that statement. I should like very much to know who some of those farmers are.

Mr. BORAH. I was told by the Senator's colleague that some of them are very prominent in Maryland.

Mr. BRUCE. It is very natural that in any community there should be a certain amount of discontent on almost any subject, and that that discontent, whether it really amounts to anything in volume or not, should, as respects agriculture, find its way to the Senator from Idaho, entertaining the view that he does about the capacity of the Government to afford agricultural relief. The trouble about the western farmer is, it seems to me, that he is not quite as patient as he might be. I should not like to see any farmer aptly compared, as John Randolph, of Roanoke, once compared the farmer, to a stolid ox, willing quietly to accept the refuse of the barnyard, stray fag ends of moldy fodder, and what not. Nobody wishes to see the American farmer, the very backbone of the body politic, reduced to any such plight as that. The regrettable thing is that just as soon as misfortune, no matter how purely natural, how entirely beyond the control of legislation, it may be, overtakes the western farmer, he sets up an outcry, and in other more conservative portions of the country we deem ourselves fortunate when that outcry does not assume at times the form of threats against the Government itself.

Mr. NORBECK. Mr. President—

Mr. BRUCE. I will ask the Senator not to interrupt me now. My own father was a farmer in Virginia for nearly 50 years, and I recall the time when the Virginia farmer was getting 40 cents a bushel for his corn and 60 cents a bushel for his wheat. Did he despair? Above all, did he break out

into threats and menaces? Did he come forward with all sorts of economic fallacies and all sorts of monstrous conceptions of the true functions of the State? He did not. He accepted his burden manfully; hoping and striving for better times.

Mr. NORBECK. Mr. President—

Mr. BRUCE. I decline to yield, if the Senator will pardon me. The Virginia farmer accepted his burdens, took them on his shoulders, and carried them like a man. What I say of the wheat and the corn and the tobacco farmer of Virginia is just as true of the cotton farmer of the South, as more than one man on this floor could readily testify; and I say nothing of the farmers of the South that I could not say of the farmers of the Middle States and the farmers of the New England States. Who ever heard of a farmer in New England raising a clamor against the Government or coming forward with vague political propositions of one sort or another, even when New England farmers by the scores, if not by the hundreds, were abandoning the hillsides of New England because they found it impossible to wrest a living from them?

At the last session of Congress over and over again it was said that the troubles of the western farmers were due to oppressive railway rates. Bill after bill was introduced in this body, some of them of the most grossly arbitrary character, to reduce railway rates in their interest. One was a bill proposing to place railway rates where they were before the great World War, utterly without regard to the tremendous social, political, and economic changes of all sorts which had been wrought by that war. I could not, perhaps, count upon the fingers of my hands the number of bills that were brought into Congress last year for the purpose of reducing railway rates, and giving in that manner relief to the farmer. Yet what was the real truth of the situation? Mr. Daniel Willard, the president of the Baltimore & Ohio Railroad Co., came before the Committee on Interstate Commerce of the Senate and testified—and his statement has never been gainsaid or denied by a single, solitary human being—that if the entire net revenue, \$132,000,000, derived by all the railroads of this country in 1923 from the carriage of agricultural products of every description were turned over exclusively to the corn and wheat farmers of this country, it would signify an increase of only 4 cents a bushel on what they had received for their corn and wheat. He testified to that before the Committee on Interstate Commerce; I repeated his statement on this floor, I challenged any member of this body to controvert it, and nobody attempted to controvert it.

The truth is that, relatively, railway rates have since the World War gone up less than anything else in this country. Why is that? It is because of the economy, the efficiency, the sagacity with which the great railway systems of the United States, headed, as they are, by the ablest men in the land, have been conducted. Speaking statistically, the fact is that while commodities in the United States generally have gone up since the World War 70 per cent above pre-war levels, railway rates have gone up only 53 per cent.

So, when the Senator from Idaho, for whom I not only entertain the profoundest feeling of respect but the warmest feeling of admiration, speaks of the agricultural problem, I ask him, What is the agricultural problem? I recall that Franklin tells a story of two men who got to disputing over a shoe, one of them contending that it was a Chinese shoe and the other that it was an English shoe, until finally a bright-witted girl inspected the thing and said, "Gentlemen, are you satisfied that it is a shoe at all?" So when I hear these vague statements about the agricultural problem I am almost disposed to ask, Is there any agricultural problem at all?

It is idle to talk about agricultural problems in general terms when nobody seems to be able to state specifically what they are. When we are told about problems we want light, real light, sunlight, or something else that has true candlepower, not that sort of light that is as faint and misleading as the feeble glow which lingers between the eyelids and the retina of the human eye when the eyelids are shut.

Last session some of the friends of the farmer contended, too, that his hard lot was due to the fact that import duties upon agricultural products were not high enough. That sort of talk went on for some time. Have any of us forgotten that as the result of it the President, exercising the powers bestowed upon him by the flexible clause of the tariff act, undertook to increase the duty on wheat, with the result that in two days it went down 12 cents a bushel, if my memory is not at fault? That was another illustration of the futility, of the utter inanity, of attempts by legislation to control the great irresistible tides of natural law.

The agricultural problem! I have heard it talked about ever since I have been here. Almost the only thing in the

nature of a specific remedy that has ever been brought to my attention, with due respect to one of the Senators of this body, was the McNary-Haugen bill which proposed to have the Government loan \$200,000,000 a year for the purpose of artificially boosting the price of wheat; that is to say, to meet the supposed requirements of a particular section of the country by imposing an enormous pecuniary burden on all the rest of it.

Mr. McNARY. Mr. President—

Mr. BRUCE. I will ask the Senator not to interrupt me now. I will yield to him a moment later.

But I am glad to say that that offspring proved to be such a difficult one to maintain that even one of its parents, the Senator from Oregon [Mr. McNary] was driven to declare for all practical purposes that he disowned it. Now I yield to the Senator from Oregon.

Mr. McNARY. I usually enjoy the observations of the Senator from Maryland, but I do not think outside of the railroad problems that he is as conversant with agriculture as he might be. I am sure from the observation of the Senator that he has not read the so-called McNary-Haugen bill. It did not contemplate taking any money from the Treasury of the United States. Anyone who is a close student of the proposed legislation would not make an assertion of that kind. Anyone also familiar with the problem of agriculture as it affects the basic agricultural products, namely, wheat and corn, knows that the surplus fixes the price in the domestic market. Anyone without that knowledge is not capable of understanding the subject clearly. That bill only attempted to take care of the surplus thereby maintaining the domestic markets and charging back to the producers of those domestic commodities that which was necessary to absorb the loss by reason of coming in competition with the foreign markets.

Mr. BRUCE. I really can not yield to the Senator any longer. I am not proposing now to discuss the McNary-Haugen bill. I am touching on that merely collaterally.

Mr. McNARY. I would like to have the Senator yield for a further observation.

Mr. BRUCE. I am very sorry. I really can not yield to the Senator any longer. I do not care to be drawn off into a purely collateral discussion. I have stated, I believe, correctly the facts with respect to the McNary-Haugen bill, however we may differ about the true results that would flow from it.

Will not somebody, I repeat, please tell me what the agricultural problem is exactly?

Mr. ASHURST. Mr. President—

Mr. NORBECK. Does the Senator want to be told?

Mr. BRUCE. I certainly would not derive any profit if all three of the Senators now seeking to interrupt me differed in their views.

Mr. NORBECK. The Senator asked if some one would tell him. I would like to tell him.

Mr. BRUCE. I am addressing myself now to the observations of my friend the Senator from Idaho. As I said, I should like to know specifically just what the agricultural problem is and just exactly how it is proposed to be met, because it is unnecessary to assert that there is not a public man in the land, to say nothing of private individuals, who would not be more than eager to relieve the farmer of any unjust, oppressive burdens of any kind that may now rest upon him and can be lifted.

Mr. ASHURST. Will the Senator yield to me at that point? The Senator has invited an answer.

Mr. BRUCE. No; I can not really yield just now, because I commenced by saying I was going to make only a few brief observations and I always like to be as good as my word. I certainly would not be so if I undertook to answer every Member of the Senate who has risen to his feet since I have been speaking.

The PRESIDENT pro tempore. The Senator from Maryland declines to yield.

Mr. ASHURST. I would not ask it, but the Senator invited some one to tell him specifically the trouble.

Mr. BRUCE. I meant in due course of parliamentary procedure.

Mr. ASHURST. The Senator would not think it was unparliamentary to have me interrupt him with his permission?

Mr. BRUCE. No; not in the least but for the special conditions under which I am speaking. I said I intended to speak within very narrow limits. I am speaking only on the spur of the moment and giving expression to ideas which sprung into my mind as I listened with the pleasure with which I always listen to the Senator from Idaho.

So far as the Senator from Idaho disclosed his ideas as to what present agricultural grievances are, his statements took a twofold direction. The first agricultural grievance as he saw it, is that the farmer is staggering under a terrible burden of taxation. That is unquestionably so, but that is almost as true of every other class in our population.

There is little, if anything, about that state of affairs that is peculiar to the farmer. The farmer is loaded down with taxation, the merchant is loaded down with taxation, the trader is loaded down with taxation—every man and woman in the country who is in business or has any property of any sort is loaded down with taxation. So it seems to me that the Senator from Idaho has used an entirely too limited phrase when he spoke of the burden of taxation at the present time as constituting an agricultural problem.

That problem, of course, can be met only by political remedies; that is to say, by governmental frugality, economy, retrenchment, prudence, and providence; I would like to ask who in this country is in a better condition to bring about those things than the American farmer himself?

Mr. BORAH. Mr. President, the Senator keeps asking questions. Does he want an answer?

Mr. BRUCE. There are some questions which are merely rhetorical questions.

Mr. BORAH. Let me make a rhetorical reply.

Mr. BRUCE. I know the Senator could not make a reply without making it rather rhetorical.

Mr. BORAH. Am I shut off?

Mr. BRUCE. Not at all, though I ought not yield to the Senator from Idaho when I declined to yield to my friend from Arizona.

Mr. ASHURST. That is all right; I do not complain of that.

Mr. BORAH. I agree with the Senator that the tax burden is great upon all, very heavy upon all, but all the more reason why every Senator here should be interested in relieving the situation, if possible. I agree also with the proposition that the farmer must be helpful in relieving that burden. But certainly those who are here in the Senate ought to be permitted to voice the condition of the farmer and the desire of the farmer as well as the Senators who wish to voice the condition of the railroads and the manufacturers without being charged with being demagogic.

Mr. BRUCE. I expressly refrained from charging that. The Senator is not exactly fair, to say nothing of being generous, because I began my remarks by declaring that I knew that the Senator from Idaho at any rate was incapable of sustaining a demagogic relation to such a discussion as this.

Mr. BORAH. I am not referring to myself alone, but every time the agricultural question comes into the Senate certain Senators here think it is demagogic, the newspapers treat it generally so, and at the same time Senators may stand here for weeks and weeks and plead for protection for the manufacturing interests, for the railroad interests, and so forth, and they are referred to as statesmen. Why is it that the interests of the one cause Senators to be designated as demagogues and the interests of others when expressed cause them to be designated, as they generally are, as statesmen?

Mr. BRUCE. I do not admit the correctness of that statement at all. I should be only too delighted to be told in just what manner my vote might promote the interests of the farmer. Just point out to me clearly and specifically how my vote could help the farmer and I would be quicker to go to his side than to that of any other individual in the United States.

Mr. BORAH. I think I can tell the Senator how his vote would help the farmer, but I know just exactly what he would do. He would answer by saying that it would not help the farmer.

Mr. BRUCE. That would depend on how sound the Senator's proposition might be.

Mr. BORAH. Exactly.

Mr. BRUCE. If the Senator should come forward and say that the farmer would be benefited by the enactment of the McNary-Haugen bill, I would say, "Oh, no! No relief is to be found in that proposition." If the Senator were to come forward and say that it would be promoted by a drastic cut in railroad rates, my reply would be that that might give him temporary relief, but not lasting relief, because the railroads, or many of them, would pass into the hands of receivers and his last estate would then be worse than his first. So with the tariff. Of course, as a Democrat it would be impossible for me to harbor the conviction for one moment that any farmer in the country could possibly be aided by the tariff.

Mr. ASHURST. One of the cardinal principles of Thomas Jefferson and Andrew Jackson was a judicious tariff.

Mr. BRUCE. Some of my Democratic colleagues are drifting so far away from me as respects all the old shore lights of the Democratic faith that I hardly know how to answer them. It is impossible for me to think of the Senator from Arizona as being a protectionist. That is impossible.

Mr. ASHURST. The Senator from Maryland will permit me to say that under the philosophy of a protective tariff as applied by the Republican Party, it is indeed monstrous, but a judicious tariff such as Jackson and such as Jefferson demanded would be of benefit to the farmer. My State and the States of the Southwest produce cattle. The prime by-product is the hide. The hide is on the free list. What are the benefits to the manufacturer whose product, the shoe, is protected? Free trade for the farmer and a high protective tariff for the manufacturer. If we are to have free trade, let us have it all along the line. If we are to have a protective tariff, let us have it all along the line. We cry out against the injustice of being required to produce hides in competition with Mexico, Chile, and the Argentine whilst the leather goods of the manufacturer are protected. Would not the Senator's vote for a tariff on hides help the cattle raiser?

Mr. BRUCE. Now, Mr. President, I am not going to be drawn off into that collateral issue either. [Laughter.]

Mr. ASHURST. No; the Senator is like Benjamin Franklin, whom he quotes so much. When they were discussing the Declaration of Independence Benjamin Franklin observed Thomas Jefferson writhing often, and said, "You writhe, sir; you writhe." "Yes," said Jefferson, "it is painful to see the work of weeks, to which we have applied our best efforts, cut to pieces." Franklin said in reply, "I never produce anything that is to be revised by other men." Possibly the Senator is like Franklin—he does not produce anything to be revised by somebody else.

Mr. BRUCE. No; the incident that I recall in connection with the Declaration of Independence from which we Democrats would derive the most instruction now is that related of John Hancock and Benjamin Franklin. Hancock made the remark to Franklin that they must all hang together, and Franklin replied by saying, "Yes; for if we do not hang together we shall certainly hang separately." So I say with reference to the issue of protection, if any Democrat is going to desert the old traditional principles of the Democratic Party upon that subject, I do not see that there will be much hope of effective unity on our part in the future. However, I am not going to be drawn off into that field. I am simply, as everybody who knows me understands, an old-fashioned Jeffersonian Democrat, and there is not one of the cardinal principles of the Democratic Party to which I do not unqualifiedly subscribe.

Mr. ASHURST. The Senator from Maryland is a historian.

Mr. BRUCE. I do not know whether I am or not.

Mr. ASHURST. Very well, I will now test whether or not the Senator is. Does the Senator deny that Thomas Jefferson was for a judicious protective tariff?

Mr. BRUCE. Yes; I do deny it. There are some observations of Jefferson, however, from which that inference might be tortured.

Mr. ASHURST. In 1824 a tariff bill was before the United States Senate, Jackson and Van Buren then being Members of the Senate. By the way, Jackson resigned from the Senate shortly afterwards so that his tariff votes might not embarrass him in the coming campaign in 1828. At that time Jackson announced, "I am ready to vote for a judicious tariff."

Mr. BRUCE. I will say to the Senator that I can not yield any further. He is welcome to embrace the entire Republican doctrine of protection, so far as I am concerned.

Mr. ASHURST. I do not mean to do that.

Mr. BRUCE. I never expect to do that.

The PRESIDENT pro tempore. The Chair desires to remind the Senate of the rule which forbids a Senator speaking more than twice on the same subject upon the same day, and the Chair will feel constrained to enforce that rule.

Mr. BRUCE. Mr. President, I have been interrupted so often that I hardly feel that I have yet been allowed to speak once.

The PRESIDENT pro tempore. The Senator from Maryland has spoken five times upon the same subject upon this day.

Mr. OWEN. Mr. President—

Mr. BRUCE. May I say to the President pro tempore that I have not taken my seat at any time that I know of?

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Oklahoma?

Mr. KING. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Utah will state his inquiry.

Mr. KING. I do not understand that the Chair is applying the rule now to the Senator from Maryland?

The PRESIDENT pro tempore. The Chair is not applying the rule to the Senator from Maryland at this time. He is simply reminding the Senator that there is a rule of the kind to which the Chair has referred.

Mr. KING. And the Chair's suggestion is merely an admonition that if the Senator from Maryland further yields he will lose the floor?

Mr. BRUCE. Mr. President, I had almost concluded my remarks; I have very little more to say.

What I was going on to say was that it seems to me that the remedy for the state of things that the Senator from Idaho [Mr. BORAH] has been pointing out, so far as taxation is concerned, is in the hands of the farmer himself. The Senator from Idaho called attention to the fact that the tax bill of the farmer has gone up, if my recollection is correct, from \$800,000,000 to \$1,000,000,000, but the general expenses of the Government have gone up within the last 10 years from a billion dollars to upward of three billion dollars. It seems to me peculiarly incumbent upon the farmers of the country to correct that state of things. They are not only the most numerous but the most powerful element of our voting population. Their fate, so far as it is controlled by political agencies, is therefore largely in their own hands. If any Member of this body, whether it be myself or any other Senator, or any other legislative representative or elected official, is faithless to the farmer's interests, is unwilling to relieve him of the burden of taxation by proper reductions in national or State or local expenditures, all he has to do is to exercise his political power and to insist that that burden shall be so reduced, that the Government shall be more frugal, shall be more economical, shall be more efficient, shall not be weighted down as it now is by bureaucratic creations of one sort or another, or by the results of one set of wasteful paternalistic ideas or another. It seems to me that there is no reason why a counteradministrative process should not be set up by the farmer and why, instead of the expenses of the Government mounting to upward of three billion dollars a year, they should not be reduced to two billion dollars a year, or one billion dollars a year, or a billion and a half dollars a year. So, without any fear of successful contradiction, I say that, so far as a reduction of taxes is concerned, that can only be brought about by political means, by the exercise of political power, by political insistence, and that the farmer is in a better position to exercise that power, to assert that insistence, than is any other man in our land.

Just one word with regard to governmental schemes of marketing for the benefit of the farmer, for that was the only thing in the nature of a specific remedial suggestion that was thrown out by the Senator from Idaho, as I understood him. He did not develop the means by which the Government could intervene to provide marketing advantages for the farmer; but, as the Senator intimated, it perhaps did not suit his convenience or his sense of timeliness to do that just now.

I say that the matter of marketing the products of the farmer to advantage is also mainly in the hands of the farmer himself. Let me give an illustration of what I mean, for there is not a man in this country, I am sure, who is more sincerely in sympathy with the farmer than am I, or more disposed than am I to do whatever can be done for the purpose of bettering his lot in life in every respect. Some months ago I received a circular from a cooperative farmers' marketing association. They offered me as a householder all the usual farm products at prices distinctly below the market levels at which I had been purchasing them in Washington. Of course, I am not going to mention the region in which the members of this cooperative farmers' association live. Partly for the purpose of securing things that I needed for my own table at lower prices, but also, I can truly say, from a genuine desire to promote a farmer's venture, I wrote to the association and said I would gladly secure all my farm supplies of every description from them. I did get my farm supplies of every description from them, and, notwithstanding the disappointment that I have suffered and of which I am about to speak, I am still continuing to get my supplies from them, and ultimately I hope to my and their mutual satisfaction. But what was my experience? I found that nothing was standardized. One day, for instance, I would receive chickens as tender as could be desired and some dozens of eggs as fresh as could possibly be asked for, and then later I would receive chickens too tough to eat or eggs that were addled.

What I received from day to day of course varied according to the skill and good judgment or good management of the particular farmer or farmers from which the particular goods that came to me on that particular day were obtained by the association. No sort of average level of excellence was maintained. Of course I wrote kindly, friendly letters to the association, calling attention to defects in things that they had shipped to me, and I also had occasion to call their attention to the fact that apparently there was no regularity in their shipments. The packages did not come forward promptly; I could not count on just when they would be received; and all the fault in this respect I am sure was not that of the railroads.

Now, suppose these same farmers had exhibited the requisite degree of good management; had standardized their products; had been as careful as is the ordinary poulterer or as is the ordinary butcher in a city market to see that their customer enjoyed a thoroughly businesslike service, not only would I have been delighted to continue dealing with them, but of course I should have taken occasion to herald far and wide the cheapness and merits of their products.

So what the farmer needs to do, even so far as cooperative marketing is concerned, is not so much to come to the Government and invoke its aid as himself to organize his cooperative business on a better basis, to exercise a higher measure of good judgment, to display a greater amount of painstaking and skillful management, to be more punctual and prompt; in other words, to prove himself a better business man in every respect.

Mr. ASHURST. Mr. President, will the Senator yield to me in order that I may make a correction in my remarks?

Mr. BRUCE. I yield.

Mr. ASHURST. I said erroneously that shoes were all protected. I wish to correct the statement. Certain Japanese sandals and shoes with cloth tops are on the protected list. When I said "shoes" I had in mind some leatherware, such as some harness and other leather goods that the farmer must use. It is true that shoes are on the free list, except Japanese sandals and shoes with cloth tops. I thought that I ought to correct that error.

Mr. BRUCE. I confess I never would have been able to expose the error. The Senator would have been in the position in which Archbishop Wateley said on one occasion that the boys of England were. Somebody said to the archbishop, "The girls in England are miserably educated." "Yes," the archbishop replied, "but the boys will never find it out." So I should never have detected the error of my friend from Arizona.

Mr. ASHURST. Nevertheless, I thank the Senator for permitting me to make the correction.

Mr. BRUCE. Mr. President, one word in conclusion, which I will address particularly to the Senator from Idaho. To-day he gave us an interesting statement of the reasons why he thought that agricultural relief would still be timely. Let me say that I trust that the next time he takes the floor he will in his clear—I had almost said in his inimitable way—point out to us the specific methods by which anything that is untoward or unfortunate in the condition of the farmer at the present time can be corrected.

MUSCLE SHOALS

The Senate resumed the consideration of the bill (H. R. 518) to authorize and direct the Secretary of War, for national defense in time of war and for the production of fertilizers and other useful products in time of peace, to sell to Henry Ford, or a corporation to be incorporated by him, nitrate plant No. 1, at Sheffield, Ala.; nitrate plant No. 2, at Muscle Shoals, Ala.; Waco Quarry, near Russellville, Ala.; steam-power plant to be located and constructed at or near Lock and Dam No. 17, on the Black Warrior River, Ala., with right of way and transmission line to nitrate plant No. 2, Muscle Shoals, Ala.; and to lease to Henry Ford, or a corporation to be incorporated by him, Dam No. 2 and Dam No. 3 (as designated in H. Doc. 1262, 64th Cong., 1st sess.), including power stations when constructed as provided herein, and for other purposes.

Mr. WILLIS. Mr. President, in the discussion which has been had here, and which has ranged from tariff duties which do not exist on shoes, and harness, and saddlery, to the very evident conflicts of opinion on the tariff on the other side of the aisle, which do exist, I hope it will not be considered out of order if I actually submit an observation on the pending measure.

I think it would be interesting to know what is the attitude of farmers and farm organizations touching the Muscle Shoals proposition. I have here a letter from two real Ohio farmers.

One of them is L. J. Taber, the master of the National Grange, and the other is O. E. Bradfute, president of the American Farm Bureau. I know them both. They are high grade American farmers. They express some very illuminating opinions touching the Muscle Shoals proposition. I ask unanimous consent to have their letters printed in the Record.

Mr. DILL. Mr. President, I would like to ask whether or not the Senator knows if the master of the Grange is representing the opinion of a majority of the State granges which are under the National Grange?

Mr. WILLIS. All I know about it is that I do know that Mr. L. J. Taber is a man of the very highest honor, and I would rely upon any representation he might make in that respect. The letter as printed in the Record will speak for itself.

Mr. DILL. I am not questioning the position of Mr. Taber, but I think the statement is a statement by him as master and not as a representative of the great Grange organizations of the country having met and considered it.

Mr. WILLIS. I am content to let the letter speak for itself.

The PRESIDENT pro tempore. Is there objection to printing the letter in the Record? The Chair hears none, and it is so ordered.

The letter is as follows:

THE NATIONAL GRANGE,
AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., January 12, 1925.

Senator FRANK B. WILLIS,

United States Senate, Washington, D. C.

DEAR SENATOR: In 1916 Congress appropriated \$20,000,000 for the express purpose of developing an air nitrate industry in this country "for the production of nitrates or other products needed for munitions of war and useful in the manufacture of fertilizers and other useful products." The methods, location, operation, and other details were intrusted to the President of the United States.

This action, given an impetus and importance by our entry into the World War, resulted in the Muscle Shoals development. The problem at Muscle Shoals is essentially a nitrogen problem and not a water-power problem. If we have another long delay which would warrant the sale or lease of the power to the power companies we may confidently expect that the fertilizer purposes of the Muscle Shoals project will be forever lost.

For six years the Nation has waited in vain for Congress to adopt a policy which would make the project operative. Further delay is intolerable. With the completion of the project close at hand definite action is called for.

It is time to invest some one with the specific authority and responsibility to make Muscle Shoals a national asset rather than a local power proposition. President Coolidge in a message to Congress states: "I should favor a sale of this property, or a long-time lease, under rigid guaranties of commercial nitrogen production at reasonable prices for agricultural use." We have entire confidence in the integrity, purpose, and ability of the President under the authority given him in the Underwood bill to secure the results agriculture has so long sought at Muscle Shoals.

In view of the facts set forth above and the further fact that the failure of the Underwood bill indefinitely postpones action on this important question we urge the passage of the Underwood bill.

L. J. TABER,
Master National Grange.
O. E. BRADFUTE,
President American Farm Bureau.

Mr. NORRIS. Mr. President, I ask unanimous consent that the Senate shall vote on the pending amendment at not later than 2 o'clock to-morrow, and that in the meantime all speeches shall be limited to 10 minutes. I will modify the request if the Senator from Washington [Mr. Jones] wants to have it modified, because it is his amendment that is pending, and he has not yet been able to get the floor to speak on it.

Mr. JONES of Washington. So far as the limit of speeches to 10 minutes is concerned, that is entirely satisfactory to me. I do not expect to take more than that much time, and I assume that everyone who wants to be heard can speak before 2 o'clock. I had not thought about that limitation, but I have no objection to it.

Mr. DILL. If this is to be a unanimous-consent agreement as to the time to vote, it seems to me there ought to be a quorum of the Senate present.

Mr. NORRIS. That is, to vote on the pending amendment and not on the bill.

Mr. DILL. It is on a very important amendment. The other evening some of us left the Senate, and afterwards an agreement was made to vote on the Underwood amendment. Some Sena-

tors have left here this evening, and I think that is not fair to them.

Mr. NORRIS. I will withdraw the request, but give notice now that I shall present the request when the Senate convenes to-morrow.

Mr. DILL. I am perfectly willing to have it considered now if there is a quorum call, but I object without having a quorum present.

Mr. NORRIS. I doubt if we could get a quorum at this time. The PRESIDENT pro tempore. The Senator from Nebraska withdraws his request.

DIGEST OF INCOME TAX LAWS

Mr. JONES of New Mexico. Mr. President, I have here a digest of certain income tax laws prepared under the direction of the Legislative Reference Service of the Library of Congress, which I ask may be printed as a public document. Before the publication and at the request of the chairman of the Committee on Printing I ask that it be now referred to that committee for its report.

The PRESIDENT pro tempore. The Senator from New Mexico asks unanimous consent that at this time the papers which he sends to the desk may be referred to the Committee on Printing. Without objection, they will be so referred.

IRRIGATION AND RECLAMATION

Mr. McNARY. Mr. President, at the irrigation congress held at Klamath Falls, Oreg., in October of last year a very interesting discussion was presented by the president of the congress, James M. Kyle, of Oregon, on the subject "Irrigation—Past, Present, and Future." I ask unanimous consent to have it printed in the RECORD.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Oregon? The Chair hears none, and it is so ordered.

The address is as follows:

IRRIGATION—PAST, PRESENT, AND FUTURE

There is no more fitting place than this city to hold this session of the Oregon Irrigation Congress.

Our Federal Government has started under Dr. Hubert Work, Secretary of the Interior, the new reclamation era. He appointed a special advisory committee, consisting of the most able men he could find in the United States. They have worked over six months and have made the most complete report on reclamation that has ever been made.

He has placed at the head of the Reclamation Service the most able man in that line in the world, namely, Dr. Elwood Mead, who has surrounded himself with such able assistants as Mr. George C. Kreutzer as Director of Farm Economics, and others who know the game and will work for the building up of farm homes, as was intended when the act was first passed by Congress.

"An empire awakening" is sure a fitting slogan for this section of Oregon, as your fertile fields and plains denote that there is room to make many happy homes; and if you will all join hands with Mr. George C. Kreutzer and the Reclamation Service and see to it that your sage-brush lands are sold to settlers at what the land is worth without water, then the settler will come in and buy the land, improve it, build a home, and pay the Government for bringing the water to the land.

As Doctor Mead says, and he knows, as does every one who has studied it:

"We must know what water is worth;

"We must know what the human unit is worth, and whether the man who goes on the land has not only a little capital but the energy and willingness to stick;

"We must know what best can be produced and where the markets are;

"We must know the cause of success;

"We must know the explanation of failure. Solvency can be better assured than ever in the past by better selection of settlers, better stock, better tools, more scientific methods, more attention to distribution and marketing, and more of the spirit of independence in people on the land."

The year just passed has been a very active one for your president, as he has been called on many times to help out this and that project, which he has done to the best of his ability.

First, he was called by the Baker project to go to Washington and help get the reclamation game started for Oregon. This was at the request of our delegation in Washington, and I want to say right here and now that no State in the Union has any better or as good a delegation as has Oregon—WATKINS, HAWLEY, SINNOTT, McNARY, and STANFIELD are united in fighting the battles of the State of Oregon. Senator McNARY, as chairman of the Reclamation Committee in the Senate, and "Nick" SINNOTT, as ranking member of the same committee in the House, hold positions of strategic importance to the

State of Oregon, and with the entire delegation working in harmony as a unit, Oregon has a great deal to be grateful for.

I was told many times by delegations from other States that if they had a delegation like we had in Oregon, that they could get their projects over. That our delegation worked together in harmony for the good of the State, whereas theirs did not. That is the reason that Oregon is getting started on one of the biggest reclamation programs that any State ever put over.

Now, we must all work together and get behind and push those projects that the Government is ready to build, and because it is not the one that you want you must not knock, as some of the fellows did last winter, because you only delay the day that you will get the one that you want.

As your president I have worked to line up as many districts and sections of the State as possible behind the Deschutes projects, and get the State to guarantee the interest on their bonds, providing they come in with a good contract; and such men as Judge Wallace and Harry Gard tell me that that is the only kind that they want the State to get behind.

This project is a good one; it is close to the market, is on a highway, has its schools and churches built, is situated on two railroads, can be cheaply built compared to most projects, and has over 600 landowners. The sagebrush has been cleared and the land tamed, so that as soon as water is available one can go on it and raise a crop. I am informed that the most of the land is signed up, so that the surplus land will sell for a price that it is worth now without the water. This being the case there should be no difficulty in settling it.

If you want the taxes of this State reduced you have got to get our idle land producing, for it takes just as much money to build a good road past a piece of land that is covered with sagebrush as it does the same piece of land in alfalfa or potatoes.

On the project that I live on, when I went there it was on the assessment rolls at \$6,000, now the land alone is on the rolls of Umatilla County for \$750,000, and the improvements, with the personal property and public utilities, makes it over \$1,250,000. Does that help to reduce the taxes of the balance of the State? I say Yes! In our county some sagebrush land that could be irrigated is paying 8 cents per acre tax, while land in alfalfa is paying as high as \$3 per acre. I ask you does that pay the State? I say it does!

With the laws that are on the statute books of our State the commission that certifies the bonds of an irrigation district have charge of the construction, and the district can not make a contract for any amount over \$5,000. In this way they know just what is being done and how the money is being spent. If it goes wrong they have the power to stop it and see that the thing is done right.

The great trouble in our irrigation projects in the past has been that in some cases the construction was not up to standard, but the greatest trouble has been too much speculation on land. Sell the land to the settler at the price that it is worth. Give him time to pay for it, but before any project is passed on see that the soil is good, that there is plenty of water available, and that the settler has the right kind of guidance, as to what the land will produce, and where the market is. Let the State as a whole get behind the project and tell the truth about it.

We have one of the greatest States in the Union, and I am sorry to say that we will have to sell it to some of our own people before we try to sell it to outsiders; and the time is here now when those of us that are interested in developing this State have got to take off their coats and "go to it" and put some of these mossbacks out of commission, and they do not all live in the Willamette Valley. You have some of them right here, we have some of them in our county, and, in fact, I think there is some of them in every county.

This great State is yours, and upon its future development depends the one thing, "we must all put a willing shoulder to the wheel and help."

I am now going to quote from Dr. Elwood Mead, the leading authority on this subject, in which he says:

"While water charges must in the end come from irrigated crops, irrigation works that are not followed promptly by irrigated agriculture are a financial burden to the landowners. Long delayed agricultural development has wrecked more of the enterprises than all other causes combined. The costlier the work the more important it is that this fact be recognized. Neglect to include plans and methods for bringing land promptly under irrigation culture is to neglect a fundamental condition of success. Hereafter more attention must be given as to where and how money needed in agricultural development is to be obtained; where and how settlers are to be secured; and how the settlers must be aided and directed to enable them to use their money, effort, and time to the best advantage. The acre cost of water rights under past public notices has varied from \$14 to \$118, with only three over \$100. New projects under consideration vary from \$97 to \$157. This is for the canals and reservoirs only. In order to use the water and to create homes, land must

be leveled, houses, barns, and fences built. These, with farm equipment, will add close to \$100 per acre to the cost of the farm.

"In order that the farmers may succeed, a practical business superintendent, who has a knowledge of farm conditions should be employed to plan settlement and advise settlers. His work should begin before settlement, in ascertaining where the things needed in farm development can be acquired. This would include horses, cows, and other livestock. He could secure plans and estimates for houses and barns, so that when settlers arrive they can be saved time and labor and be helped to use their money to the best advantage. The land should be sold to settlers on terms that would make it a commercial undertaking. The interest recommended is 5 per cent, and the yearly payments on principal 1 per cent. With such yearly payments the settler could pay for his farm in 34½ years, and with these small payments he would be relieved from the danger of mortgage foreclosures and would be each year adding to his equity in the property.

"Farms should be valued according to location, quality of soil, and ease or difficulty of irrigation. A map should be prepared which would show the location of farms, valuation of each, and such information as would enable intending settlers who have not seen the area to know the reason for these prices.

"There should be a capital requirement which would vary with the size of the farm. It should be a percentage of the cost of the farm and its development, and for a 40-acre farm it should be not less than \$1,500. Farm laborers could be accepted without any capital, provided they could make the initial payment on the land and furnish 40 per cent of the cost of their dwellings and other necessary improvements.

"The first need of the settler is a house. It is a permanent improvement, and if he can be aided in its construction by advancing 60 per cent of the cost, requiring the settler to pay in cash 40 per cent, it will leave money to be spent on things like livestock and farm implements. The advantage of this kind of advances has been tested out in so many countries that there is nothing experimental about it. It is far safer than the investment in canals, and it has a greater social and economic value. Under the State land settlement law of California the board can advance for the improvement and equipment of a farm up to \$3,000. This has proven the best part of the whole scheme and is the one which has enabled settlers to stay on the land and meet their payments to the State.

"Money advanced for farm improvements should pay 5 per cent interest, and the period of repayment should vary from 3 to 20 years. A 20-year loan on permanent improvements like a house is safe, being covered by insurance, and yearly payments of 3 per cent on the principal, making a total of 8 per cent, will pay off the debt in 20 years."

There is much food for thought in what Doctor Mead has to say, and it might be well to remind you now that our forests may be cut and our mines dug up, but the reclamation of an area adds to the productive wealth of the Nation for all time. And consider this also: It is estimated that by the year 1950, only 25 years hence, that the population of our country will be 150,000,000 people, and it is absolutely necessary that we add to the farm-producing qualities of our lands that we may feed this additional 40,000,000 mouths.

With irrigation comes the electrical power, and we have got to develop the power interests in connection with irrigation that the farmer and his family that goes out on a project will have the power for operating his machinery and the housewife the conveniences that will relieve the excess burden. With the improvement of conditions in Europe will come the greatest immigration in history to this great Northwest, and we should be ready to meet it and take care of it as it comes.

ADDRESSES BY MR. DEPEW AND VISCOUNT CECIL

Mr. SWANSON. Mr. President, at the recent Pilgrims' Society dinner held in New York there were addresses made by Hon. Chauncey M. Depew and Viscount Cecil, both of which alluded to President Wilson in very complimentary terms. I ask unanimous consent to have the addresses printed in the RECORD.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.
The addresses are as follows:

SPEECHES MADE HERE BY DEPEW AND LORD CECIL—BRITISH VISITOR'S EFFORTS IN BEHALF OF PEACE ARE SET FORTH—VISCOUNT DISCUSSES IDEALS—COOPERATION BETWEEN UNITED STATES AND BRITAIN URGED BY HIM AT PILGRIMS' DINNER

So many requests have been received by the Sun that the speeches of Viscount Cecil and Chauncey M. Depew at the Pilgrims' Society dinner on Friday evening be printed in full that they are herewith reproduced:

MR. DEPEW'S SPEECH

Lord Cecil, fellow Pilgrims, ladies, and gentlemen, this is our twenty-first year of the Pilgrim Society of the United States. During that period we have entertained representatives of every branch of the activities of Great Britain and of her self-governing colonies, but there never has been a period when it was so necessary that the purposes for which this society and the English society labor should be carried out as to-day.

During that period covering those two decades we have entertained prime ministers, diplomats of all kinds, admirals, generals, and representatives of the literature, and all of them have contributed to the great object which we have at heart. It was a thrilling period when we had among us those who came over representing the other side during the Great War; it was a thrilling time when they came here to that great conference called by President Harding to settle matters in the Pacific and for disarmament as the commencement of a great peace, and it was a thrilling thing that the greatest contributor to the success of the Harding movement was Lord Balfour and the English delegation. [Applause.]

It has seemed as if this movement was in abeyance until some patriotic gentleman organized what is known as the Wilson Foundation. It was organized for the purpose of carrying out the ideas for which Mr. Wilson gave his life and which was his ideal. [Applause.]

Happily, they arranged that a prize should be awarded to the statesman who was doing the most for peace in the world, and our meeting to-night—while all others have been for some other purpose, some ulterior purpose, and for many purposes—is for one purpose only, and that is peace! [Applause.]

DECISION IS UNANIMOUS

And the gentleman who managed this Wilson Foundation appointed a representative committee who drew the competition out to the statesmen and to the people of all countries in the effort to find out who had done most to promote peace since the Great War; and their decision, happily, was unanimous, and it was in favor of our guest to-night as the one man who had done more than anybody else to promote the peace of the world. [Applause.]

Lord Cecil belongs to a family which has been prominent in English affairs and in the ruling of that country for a thousand years, and during the whole of that period there never has been a year when some Cecil hasn't been either Prime Minister or in Parliament doing his best.

I remember on one of my visits to England our minister of that day took me to call upon the Prime Minister, Lord Salisbury, father of our guest, who was then Prime Minister. Like every American who visits England, we have a different sensation at a certain period for certain times and certain men than do the visitors of other countries. When we come across any event or any individual who represents the period prior to the settlement of this country in our colonial days, then we are part of it and we are immensely interested. And so when I saw Lord Salisbury in foreign office my imagination immediately visualized Lord Burleigh, the first of the Cecils in public life, the great minister of the great Queen Elizabeth, who with Queen Elizabeth made that a period which stands out as one of the greatest in the history of the English-speaking peoples of the world. And I recalled then at once that that brought up Shakespeare; that brought out Lord Bacon; subsequently that brought out Milton, who to-day are the luminaries of our literature.

MANY EFFORTS FOR UNITY

Well, my friends, many events, many efforts have been made during all the period since the disturbance which separated the United States from Great Britain, to bring about this idealization of a union of the English-speaking peoples. The first missionary was Washington Irving, and he succeeded in extorting against the Edinburgh reviewers the verdict of Walter Scott, that an American had written a book which some Englishmen would read. [Laughter.]

Subsequently we had Longfellow, who brought out the Indian romances; then we had Fenimore Cooper, who brought out the "Leatherstocking" tales. Now, the jingle of Longfellow captured the imagination of the British schoolboy and the British schoolgirl, and it could be recited and was recited, but it had this unfortunate result; that it brought up a whole generation of Englishmen to believe that the Americans were red Indians. [Laughter.]

A friend of mine, calling on an English relative up on the coast, found there an old lady who said to him, "What a fortunate thing for us that that stormy ocean is there! But for that we might be massacred in our beds by those North American savages!" [Laughter.]

WHEN MATTHEW ARNOLD CAME

Well, my friends, then we had for the purpose of promoting this international amity, the invasion of the English lecturer. [Laughter.] Now, there have been a great many different opinions in regard to the benefit, or otherwise, of the English lecturer. He brought his mis-

sion here; I heard him generally, and I came to the conclusion that it was a good mission and it was a very good thing that he came. Among the best of them, and the best that was brought here, was by Matthew Arnold. Matthew Arnold came to me and said, "I wish you would look over my itinerary. I have asked my director of my American tour, as I am an Oxford professor and talk on scholastic subjects, that he should take me only to university towns."

"Well," I said, "Mr. Arnold, he evidently has mistaken your instruction, for in the first town you go to the only university is an insane asylum." [Laughter.]

And I said, "The second town you will go to, the only college, is an inebriate home." [Laughter.] "But Mr. Arnold, in our country, outside of the little thing which puts them out or puts them in, they are a very intelligent people." [Laughter.]

We can not avoid, on a discussion of this kind or a sentiment like this, recalling that great meeting which did bring the English-speaking peoples together, and that was the conference at Ghent a hundred and nine years ago. Ghent was selected because it was supposed to be the only neutral place in the world [laughter], and the burgomaster of Ghent demonstrated that it was a proper selection for he gave a dinner to the American commissioners, didn't invite the English commissioners, and in his toast said, "I hope you will win over those British." [Laughter.]

JOHN QUINCY ADAMS'S TOAST

When the conference was happily completed and the treaty was made and signed, then the American commissioners gave a dinner to their British colleagues, and the toast of John Quincy Adams, made in the spirit in which such toasts are made, nobody believing it—either he who possesses it or those who receive it—was: "May this be the beginning of a harmony which may never end." It has lasted for 109 years. [Applause.]

Well, I have studied that document for the purpose of seeing what there was in it that should have made it so eternal, while all other treaties during that period, between all countries, have been broken over and over again, and I think I have solved the mystery—it is because in that treaty there is no mention, there is no reference in any way, there is no settlement in any manner of the things which had been fought about in the war. [Laughter.]

Well, my friends, we have done with ancient history, though it is very illuminating, on the subject which is before us, but since the world with us begins in 1917—prior to that it is all ancient history—in 1917 the United States entered the war, but prior to that we had a most difficult situation. The United States was the great merchant of the world. The debts which are owing to us now—these great debts are a proof of what a great merchant we were and how tremendous were our sales. And I want to say right here and now that the one thing which has contributed most to the union of the English-speaking peoples and to their looking at things in a horizontal way and in a friendly way is the manner in which Great Britain has met her debt and proposes to pay it. [Applause.]

REGRETS IRRITATION

And I want to say also, though it does not pertain particularly to this audience or to this crowd, that I regret the irritation which has arisen in the last few days between the United States and France. We have too many sentimental obligations between France and the United States, too many things of romance running from Lafayette to Jusserand, for ever these two countries to fall out, and I believe France is destined to do her part in all that is required from an honorable Government. [Applause.]

During the war the cabinet of Great Britain had the different duties assigned them, of the war, of the munitions, of the navy, and what not, but Lord Cecil was appointed to a new mission in the cabinet which had never been held before. It was the minister of blockade. It had no defined duties; it was all in the brain of the minister how he would regard it. The situation was exceedingly difficult, because the United States was making these great sales and manufacturing these great munitions; they were contraband of war, and Great Britain had established a blockade for the purpose of their reaching other countries while they were buying from the Allies themselves. But Holland, Norway, Sweden, and Spain were neutral, and they were full of enterprising gentlemen who wanted to profiteer by buying from the United States and reselling to Germany.

Now, it was the mission of Lord Cecil to prevent that as far as he could without offending the United States. It was a very difficult position, one requiring wonderful tact and wonderful diplomacy, because the Allies did not want to offend the United States. When the United States did come in there was no irritation on account of the contraband of war, no irritation on account of the activities of the minister of blockade. On the contrary, he had so skillfully managed his mission, watching the United States, which was his only duty, that he minimized our sales without offending the salesmen. [Laughter and applause.]

FEARED CONFERENCE

Well, gentlemen, since the war, after the war was over, then came what an ex-Prime Minister of England said to me was more serious

than the war itself. He said, "I know we will come out all right now that the United States has joined us, but I do not know, I am afraid of what will happen at the peace conference. All other peace conferences have failed in fulfilling their settlement of the seed of war."

This conference, when it met, unhappily met the predictions of that English statesman because the old jealousies were there, the old desires were there for conquest, the old anxieties were there for more territory, more property, more things to be imposed upon the enemy. There was only one force in that convention among those delegates which was on the other side, and that was because that force represented the sentiment of the American people. There was one commissioner who did not want any indemnities, one commissioner who did not want to impose any burdens, one commissioner who wanted only to carry out the ideals which should make for permanent peace, for justice, for civilization, and liberty, and that was Woodrow Wilson! [Applause.]

BACKED WILSON

And among the representatives of other countries there was only one commissioner, and if he had had the dominant power he would have acted with Wilson, and the thing would have been different for the world, and that was Viscount Cecil of Chelwood. [Applause.]

And carrying out his ideas, having joined the League of Nations, it is the unanimous testimony, evidenced by this prize which has been given, that of all the statesmen who have taken an active part for peace and settlement and to prevent chaos and to bring something out of chaos, the one statesman who has done the most and is doing the most is our guest to-night, Lord Cecil.

Well, my friends, we are here for the purpose of doing him honor; we are here for the purpose, as far as we can, of promoting peace. A well-known publicist, who understands the situation over there better than anybody that I know, said, "The whole future of peace in Europe depends upon the common action, the common sentiment, and the common purposes of the English-speaking peoples of the world." [Applause.]

Well, my friends, we have got to bring about, if chaos is to be avoided, economic conditions, and they can only be had by peace; we have got to bring about reparations, and they can only be had by peace; we have got to bring about a better understanding between the different new nations of the world, and they can be only brought about by peace; we have got to bring about that commerce which in its interchanges enables capital and labor to be employed for the benefit and the salvation of the countries where they all live and where they work.

I want to introduce to you, ladies and gentlemen, Viscount Cecil of Chelwood.

VISCOUNT CECIL'S ADDRESS

Mr. Depew, ladies, and gentlemen, my first duty is obviously to thank your chairman for the very kind and flattering things that he has said of me. I was very grateful to him for everything that he said. I admit that there was one moment in which I felt a certain qualm of nervousness when he began talking about lecturers from the other side of the Atlantic. [Laughter.] I did not quite know how that was going to end. [Laughter.] But, fortunately, his courtesy got the better of his sincerity. [Laughter.]

Well, I thank you most heartily, and I am deeply grateful to you for being kind enough to entertain me to-night at dinner. The occasion, joyful as it is, has an element of sadness for me, for it reminds me that this is my last evening in the United States. I deeply regret it. I deeply regret that my stay has been so short. I deeply regret it for many, many reasons, but among them because it has made it impossible for me to accept the invitations which I have received from other parts of your great country, and particularly because it has been impossible for me to visit the British Dominion of Canada, which I should have very dearly liked to have gone to if I could have possibly managed it. I have the greatest possible warmest feeling for my Canadian fellow subjects and for their great kindness to me on the last occasion when I visited them.

But it would be wrong for me in saying that not to thank you once again from the very bottom of my heart for your marvelous courtesy and consideration to me—the courtesy and consideration which you always show to every guest who comes to your country.

HOSPITABLE AMERICA

You know as well as I do that American hospitality is proverbial throughout the world. Indeed, I was thinking to-day that if you followed the custom that prevails in some countries and an adjective were given to you, like you speak of "La Belle" France or "Merry" England, I think you would have to speak of "Hospitable" America. It is only for one reason that I do not describe it as "Princely," and that is for fear of unduly flattering princes. [Laughter.]

And really, if I may be allowed to say so without impertinence, it isn't only hospitality; it comes, if I may venture to say so, from the genuine kindness of your hearts. I like to think that that great quality is more easily displayed in the case of an Englishman than of any other guest. I remember last year, when I had the pleasure of being

here, I had the honor of being received by your late President, Mr. Harding, and he received me with that cordial geniality which was well known in his case, and was good enough to ask me how I was getting on and how I had been received, and I told him that I couldn't exaggerate the kindness which I had met with on all hands; and he gave other reasons, but he said, "After all, one great reason for that is that you are an Englishman." And I must say that if he had searched the whole language for a compliment or a saying which would have pleased me, he could not have found one better than those few words.

COOLIDGE NOTIFIED

I had the great honor this morning of being received by your present President, Mr. Coolidge, and in the course of conversation he, too, expressed his great gratification at the friendly relations which prevail between the two countries. In some mouths that would be a mere banality, a platitude. But if I may say so, England and America have one additional bond at the present moment. In the case of our prime minister and your President, we have a man of preeminent straightforwardness, a man whose every word we all know we can trust. [Applause.]

When Mr. Coolidge was good enough to say that to me this morning I knew that he meant it from the bottom of his heart. And so the relations between our countries are very friendly.

I was very, very glad that you, sir, in the brilliant speech you have just delivered [referring to Mr. Depeu] dated that friendliness from the time of the treaty of Ghent. I have always myself thought that the greatest title to fame that our minister, Lord Curzon, had was in the signature of that treaty. It was a very remarkable performance and one which shows that it is possible to make a treaty of peace that will really lastingly give peace to the countries between whom it is made.

But I think it has many other reasons. Your society is one; the greatly increased knowledge that prevails, both in England and America, of the national characteristics of the other people.

CARICATURES EXTINCT

I can remember a time—it was just dying out when I was young—when the typical Englishman, as seen through American spectacles, was a haughty and supercilious person of not any very great value to any one except himself [laughter], and the typical American was a curious kind of caricature, a person of rude and rough manners, purse proud and offensive and arrogant. I don't know whether any such prototype of the man ever existed; I doubt it very much. But certainly he is as extinct as the dodo at the present time. [Laughter.] But beyond all that, of course, there is the racial bond; there is the fact that a very large proportion of us come from the same stock. I am profoundly grateful that it should be so. And more than that, there is, of course, what has often been alluded to, the great likeness in our ideals and aspirations, the great sources of which are in our literature and our history.

Shakespeare and the Bible count for a great deal in the good relations between England and America. The language, of course, is another bond. But much more than all that is the point of view. It is indeed the product of all the things that I have tried to describe.

It has been my good fortune—or evil fortune—to attend a great many international assemblies during the last few years, and whenever I have found an American colleague in those assemblies, whatever purpose we may have entered with, however divergent our apparent opinions originally were, in a quarter of an hour we always found ourselves pretty much agreed, not because we had talked one another over, but more because in point of fact the same arguments appealed to both of us, the same point of view was that which was recommended to each of our minds. I believe that that essential sameness, identity of point of view, is the thing that is really responsible for the good relations between our countries more than any other single cause.

LAW PLAYS LARGE PART

I believe, too—I am bound to believe—that among the causes of that very fortunate state of things has been something which isn't quite so often mentioned as it ought to be, and that is the law. Nothing was more striking than the great success which attended the visit of the American Bar Association to England during the last summer, with Mr. Secretary Hughes as one of the chief members of it. I believe that it brought the two countries together as much as anything that has happened for a long time past. The fact that we find constantly that we do appeal to the same principles in the law, that even the same names are great on both sides of the Atlantic, that Chief Justices Marshall and Storey are just as great in England as I hope Mansfield and Blackburn are in this country, the fact that we appeal to the same authorities; that our principles go back to the same thing; that this great structure, one of the noblest structures that has been erected by the human intellect—the structure of the law that prevails in our two countries—comes from a common organ and appeals to common authorities—I believe these things have had an immense effect in bringing the two peoples in closer and closer relations.

Your chairman just referred to the blockade. I am glad that he has so pleasant a recollection of the incidents of those transactions. [Laughter.] I am not quite sure that I was so conscious of its success in the way that he described as he was at the time that it occurred. [Laughter.] But this is true, that for all the things we did, we cited American precedents. [Laughter and applause.]

Yes, ladies and gentlemen, I believe very much in the influence of the law. It has had a prodigious influence undoubtedly in molding our national character.

STANDS BY PRECEDENT

All that love of precedent—which I personally am a hearty believer in—all that distrust of generalization, that insistence on the practical point of view, much of all that comes from the great and continuous development of English law from the earliest times, and the great part it has played in our history always. It has formed to a great extent that cautious, unenterprising, if you like, but after all safe point of view which the British rejoice in.

I remember in Paris on one occasion in the course of a debate, a discussion at the League of Nations Commission, a French delegate urged a particular course upon the commission, mainly, he said, because it was so logical, it followed so symmetrically from what we had done, and a British delegate replied, "Yes, yes; and that is precisely why I distrust it." [Laughter.] And that which very nearly terminated the resistance of the French delegate, so shocked was he at the observation, was greeted with temperate applause by my American colleagues. [Laughter.]

And hence it comes, I think, that we tend very much in great difficulties that come before us, international and others, to seek if we can a legal solution. We feel on safer ground, happier if we can approach our problems from a legal point of view, and I heartily agree with that way of looking at things.

OUTLAWING OF WAR

I have been very much interested, both on this occasion and on my previous visit, to notice one particular example of that which seems to have considerable favor in your country. It consists of the movement for the outlawry of war, and I think every one of us will not only be attracted by the legal atmosphere which it conveys but also will see what a fine conception it is that the nations of the world should combine to excommunicate war, to abolish it from the whole field of international relations, to put an end to it once and for all.

These ideas must be to every thinking man exceedingly attractive, and I don't wish to say one word in discouragement of the conception. It appeals to me profoundly. And yet, perhaps because of the training as an Englishman that I have received, I can't help uttering, I won't say a word of warning, but a word of caution. It is right to have these aspirations, to live at great altitudes, but it is very, very important to keep your feet firmly fixed on the ground and in the path on which you propose to go.

Still keeping in legal circles, in legal phraseology I venture to remind you that in our patent law—and I suppose it is the same in yours—it is not enough to have a great idea or a good idea or to make a great discovery or a great invention—that isn't sufficient to secure the protection of the State. You must go further than that. You must have your great idea, your great invention, your great discovery, and you must show a practical means for carrying it into effect. It is in reference to that I should like, if I may, even on this occasion, to say a few words about how this great conception of the outlawry of war may be carried into effect.

CRIME TO START STRIFE

I have noticed one suggestion made, namely, that it should be made by international agreement a crime in the strictest sense of the word, a national crime, if any citizen of any country drives his country into war, and that he should be punishable by imprisonment or some other even more serious punishment if he commits this crime.

Well, I can't help feeling that that isn't a very helpful way of approaching the subject, because, after all, if a country is defeated in the war, the man who was responsible for that war is likely to be punished very severely by his fellow countrymen without any new legislation of an international character. To be in a defeated country is in itself a very serious punishment. And if his country is victorious, is it at all conceivable that you would ever induce the victorious country to punish the man who, according to them, would appear to be the author of the glory of the war which had just taken place?

I can't believe that that is a solution of the practical difficulties which would be of the slightest assistance. But other suggestions have been made. One is—not perhaps quite as precise as it might be, but broadly—that you should first outlaw war, that you should then codify international law, so as to make it quite clear, if it be possible to do so, what offense against international law was committed by the outbreak of the war, and you should then have a world court to declare on whom the guilt of the outbreak of war really rested.

Well, I am not going to say a word about codification, but let me say that I doubt very much whether, however much you codify interna-

tional law, you would ever be able to provide rules—precise rules—which would enable you to judge which nation had broken some specific rule of international law so as to be clearly guilty of the crime.

SEIZURE OF TERRITORY

Take, for instance, the question of the seizure of territory, the occupation of territory, or demand for territory, the quarrel arising, let me put it, out of the possession of territory; consider the kind of arguments that are dealt with. There are racial arguments. Who inhabits the territory? There are economic arguments. Is it or is it not necessary for the economic welfare of this or that country? There are historic arguments. To whom has it belonged; what has been the history of it? How has it come into the possession of a country? And there are always what can't be excluded, unfortunately, strategic arguments—arguments as to the strategy of that territory.

I can't conceive of any international code which could be so drawn as to make it clear on which side right lies, where considerations of that kind have to be borne in mind. I am not inventing cases. Take the well-known case of upper Silesia, when it was divided between Poland and Germany. All these questions came up; all had to be considered, all had to be dealt with. Though I believe myself that a broadly just decision was arrived at, I am quite certain it wasn't the kind of decision that could be dealt with by strictly legal means. It was a question of policy, of expediency, of justice, if you like, but of justice in the widest sense, and not a matter that is open to purely legal discussion based on a code of international law. And so I rather doubt whether that would work.

FAVORS LEGAL CODIFICATION

Do not think for a moment that I am against codification. On the contrary, I believe it to be of great importance that we should proceed to codification of international law and elucidation of international law. There should be elucidation of international law in the first instance and after that codification as soon as possible.

I rejoice profoundly that the League of Nations should have appointed a committee with the very purpose of looking into this question and seeing how far it is possible at the present time to proceed in that direction, and I trust earnestly that that committee will be fruitful in admirable results; but I should be not saying what I believe if I said that I thought those results would be quickly arrived at. I am sure it is going to be a very long business, and I am afraid that when it is completed there will still be a very considerable tract of international relations which will not be covered by the strict provisions of any law but which will have to be dealt with on broad considerations of equity and justice apart from any written rules that you can possibly lay down.

Still less, may I say, am I against the institution of an international court. I believe that to be of the greatest possible value. I regard the steps that have been taken toward the creation of an international court as among the greatest things that the league has done. I believe that that court has been of the greatest possible value to the peace of the world and the good understanding of nations already. I believe that the really considerable number of cases which it has decided—I think there are some 10 or 15 of them already—are really a very remarkable output of work, considering the great youth of the court. I believe I am right in saying that the Supreme Court of the United States did nothing at all for the first three years of its existence. Here is a court which has to deal with even more difficult and complicated subjects and which has already achieved a very considerable position in the world by its work.

I believe that a great deal of that work can be done long before you codify law. I believe there are a great mass of questions dealing with the interpretation of treaties, the assessment of damages, and things of that kind, which have been and can be dealt with with great success by a court of that description, and it is only right to say that so successful has this court been in dealing with these matters that it has already achieved a very remarkable degree of confidence amongst those nations which have appeared before it.

CITES ANGLO-FRENCH DISPUTES

I remember very well a very striking instance of that in an Anglo-French dispute which came before the court. The case originally came before the court on a preliminary point, I think, as to whether the dispute was really in its nature an international dispute, and it was argued exactly as you argue any other case before any court by the British and the French representatives. The court decided in favor of the British contention. Thereupon the French advocate arose immediately, though the decision had been given against him, and said that he was instructed by his Government to withdraw all objection to the court deciding the main question, and to suggest that they should immediately proceed to the discussion of the main question. That, I think, is a striking case where a defeated litigant was yet so satisfied of the justice of the tribunal that he was ready to intrust a still more difficult question to its decision immediately. Indeed, I would go further than that and I would say that if codification of international law comes, and I hope it will come, I believe

that the greatest instrument for codification, for elucidation in the first instance and codification in the next, will be the decisions of the court.

I am a firm believer in the common law, in the law that is built up by judicial decisions, and I believe there is no safer way, particularly in the beginning of a system of law, than to get thoroughly trustworthy courts, get them to decide on broad grounds of equity the controversies that are brought before them, and then gradually to distill out of those decisions the principles of the law which are to guide you for the future.

QUESTIONS BEYOND STATUTES

But even so, and granting all this—and I hope that after what I have said I shall not be accused of underrating the value of the court for a moment—yet I am convinced that there are a great many phases of international disputes which can not be determined by strictly legal, narrowly legal, action of that kind. I am quite sure that in addition to that, in dealing with some of the main questions that divide nations, the question to use the phrase that I think occurs in some of your treaties, of honor and vital interest which divide nations, many of those can only be dealt with (at any rate in the present frame of mind of the nations of the world) by a much more flexible instrument than the rigid court of law.

We must deal with it by discussion, by mediation, by appeal to public opinion, by a frank laying before the world of the respective contentions of the parties, and in that way, and in that way only will you arrive at a peaceful solution of many of your difficulties.

I say very, very emphatically, if I may, to those who are anxious, as I am anxious, to see the outlawry of war the final extirpation of war as a means of settling international disputes, that if you desire that you mustn't confine your efforts to a purely legalistic point of view; you must look beyond that and construct machinery which will be able to deal with all disputes between the nations and not only with those which are of a strictly judicial character. [Applause.]

I feel very strongly about these matters. I can not help feeling that in discussing these kinds of questions we are discussing matters of vast moment and importance, matters on which the whole future prosperity, indeed the future of the civilization of the world, may depend. We can not afford to adopt solutions which may be attractive for the moment, which will not turn out to be satisfactory in the end.

URGES FULL DISCUSSIONS

I have always asked, in all these matters, for the fullest possible discussion, the fullest possible light to be thrown upon every proposal that is made. We must go for realities and not phrases; we must understand exactly what we are doing. And I hope and trust that whatever proposals are put forward, we shall never forget that the matters in which we are engaged are of vast importance, that what we are after is not less than the establishment of the peace of the world, and that anyone with the slightest imagination who considered what that phrase means, what peace embodies, what the want of peace means for the world in the near future. Anyone who considers that will approach these questions not with the desire of the success of his opinions or the victory of this or that proposal, but merely and solely with the purpose of finding some practical solution of the greatest problem that has ever faced humanity.

For my part, I adhere most fully to what your chairman has said. I believe this is a matter in which the British and the American peoples can cooperate most usefully. It is said in my country that peace is the greatest of British interests. I am sure that all thinking Americans will agree that peace is the greatest of American interests also. [Applause.]

Let us be frank with ourselves. It isn't only a question of interest; we mustn't be too afraid of being thought hypocritical. It is true that both my people and yours do care for something beyond their interests. They are idealists, and why should they be ashamed of being idealists? They do care for ideals. They are anxious to do something not only to promote their own prosperity or even only the prosperity of their country but something also for the peace and happiness and prosperity of the world. And here, I am satisfied, is a great field for genuine cooperation between our two countries.

MACHINERY MERELY TO ACHIEVE END

I am not talking for the moment about the precise machinery. Machinery is of value; I will not underrate it. But, after all, it isn't the only thing; it isn't the main thing. I am not considering now whether we can achieve our end by the League of Nations or by some other method. What I do say is, here is a common object which we feel, both of us, profoundly, deeply. Surely it must be possible for us to cooperate for its attainment.

I do not mean even an alliance. I am not suggesting an alliance. I believe it is quite impracticable to begin with, and perhaps that is sufficient. It is like the old story of the mayor and the church bells, who explained that they weren't rung for many reasons, the first one being that there were no bells. [Applause.] I don't believe that an alliance is a practical proposition.

I am afraid I go further. I think that even an Anglo-American alliance to impose peace on the world, if you can conceive of such a thing, would be a dangerous and very doubtful enterprise.

To us our aspirations, our ideals are—and I think rightly and naturally—the greatest and best in the world. We believe that there is much that is common between England and America in those ideals. But you can't expect the rest of the world to share that opinion, and the attempt to enforce the ideals of any kind of civilization, whether it is German kultur or what is sometimes called Anglo-Saxon ideals, whatever name you may give it, will be bitterly resented, and perhaps properly resented, by the rest of the world.

It isn't a new holy alliance that I believe in, even though that might be a holy alliance in the interests of the highest form of democracy.

WANTS COMMON PEACE POLICY

What I have in my mind is a common peace policy, the exercise, the unfettered, the free exercise of both countries of their influence and their example for the peace of the world, combining, it may be, in this or that particular enterprise or this or that particular piece of machinery, but in any case working together for the common object, which is the greatest object that they can have.

I can't help feeling that if we could work together on those lines that would be a very inspiring aspiration for all of us.

I remember very well—your chairman has referred to it to-night, and we all remember it—the entry of your country into the war. I was in London, of course, and when it was announced I felt, and I believe with the vast mass of my fellow countrymen, a thrill of thankfulness and gratitude which for the moment wiped out even the horrors of the existing war.

After long years it was our feeling Americans and English are again side by side, marching against a common foe and striving for a common object.

What we did in the war with our allies history can tell us, and I think that history will say that no greater achievement has ever been recorded than that. If we could do so much in war, why should we not do even more and even greater work for peace?

Therefore, ladies and gentlemen, as my last word for the time being, let me say this: Let us go forward together, each in our own way, but having our common object before us; let us go forward in this great quest to achieve, in the words of the old prayer, "Peace and happiness, truth and justice, religion and piety."

EXECUTIVE SESSION

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 10 minutes spent in executive session the doors were reopened.

RECESS

Mr. CURTIS. I move that the Senate take a recess until 12 o'clock to-morrow.

The motion was agreed to; and the Senate (at 5 o'clock and 15 minutes p. m.) took a recess until to-morrow, Tuesday, January 13, 1925, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 12 (legislative day of January 5), 1925

PROMOTIONS IN THE ARMY

OFFICERS' RESERVE CORPS

George Emerson Leach to be brigadier general, Officers' Reserve Corps.

MEDICAL DEPARTMENT

James Denver Glennan to be assistant to the Surgeon General.

MEDICAL CORPS

Stanley William Matthews to be first lieutenant.

FIELD ARTILLERY

Warfield Richardson Wood to be first lieutenant.

INFANTRY

Francis William Johnson to be second lieutenant.

MEDICAL ADMINISTRATIVE CORPS

Fritz Jack Sheffler to be first lieutenant.

CHAPLAINS

Edwin Burling to be chaplain, with rank of captain.

Cornelius Aloysius Maher to be chaplain, with rank of captain.

PROMOTION LIST BRANCHES

Ethel Alvin Robbins to be captain.

James Gilbert Anthony to be captain.

Housan Wayne Duncan to be first lieutenant.
Park Holland to be first lieutenant.
John Gross to be first lieutenant.

POSTMASTERS

ALABAMA

William H. Briley, Ariton.
Charles W. Horn, Brantley.

FLORIDA

Harry W. Thurber, Lake Worth.
Edward R. Joyce, St. Augustine.

GEORGIA

Cleone M. Fincher, Culloden.
George A. Poche, Washington.

IDAHO

Swen F. Johnson, Downey.
Homer W. Woodall, Soda Springs.

INDIANA

Walter M. Skinner, Fulton.
Fred H. Maddox, Lyons.
LeRoy H. McAllister, New Carlisle.

MASSACHUSETTS

Elsa L. Downing, Harding.
Frank H. Hackett, Wakefield.

MICHIGAN

Myrtle G. Lewis, Burr Oak.
Hattie G. Jones, Oxford.
Clyde A. Wilcox, Bethesda.
Thomas E. Stafford, Fredericktown.
Alice Hastings, Lagrange.

TEXAS

John T. White, Kirkland.
Ernest H. Duerr, Runge.
Lynn E. Slate, Sudan.

UTAH

Cora E. Paxton, Lynndyl.

WEST VIRGINIA

Jerome Akers, Kenova.

HOUSE OF REPRESENTATIVES

Monday, January 12, 1925

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord, our Lord, our times are in Thy hands. We come to Thee with a prayer and not a claim. May we see God in His wondrous providence moving among the affairs of the great world, always bringing order out of chaos and peace out of tumult. As Thy love and wisdom are never exhausted, we come seeking their blessing and guidance. Set upon us this day the sense of Thy approval. Give inspiration as well as direction to all that we shall do in this Chamber. Teach us that mercy is more acceptable than sacrifice and goodness is more to be desired than greatness. Lead us on through all the days and to-morrows until eternity breaks in sight. For the sake of Jesus. Amen.

The Journal of the proceedings of Saturday, January 10, 1925, was read and approved.

AGRICULTURE DEPARTMENT APPROPRIATION BILL

Mr. MAGEE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table H. R. 10404, a bill making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1926, and for other purposes, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from New York asks unanimous consent to take from the Speaker's table, disagree to all Senate amendments, and ask for a conference on a bill which the Clerk will report by title.

The Clerk read the title of the bill.

Mr. SNELL. May I ask the gentleman from New York a question? How much was the bill raised in the Senate?

Mr. MAGEE of New York. Approximately \$200,000.

Mr. SNELL. What were the special items?

Mr. MAGEE of New York. One item of \$50,000 for further fighting forest fires; another item of increase of some \$90,000 for the market-news service, and some smaller items.